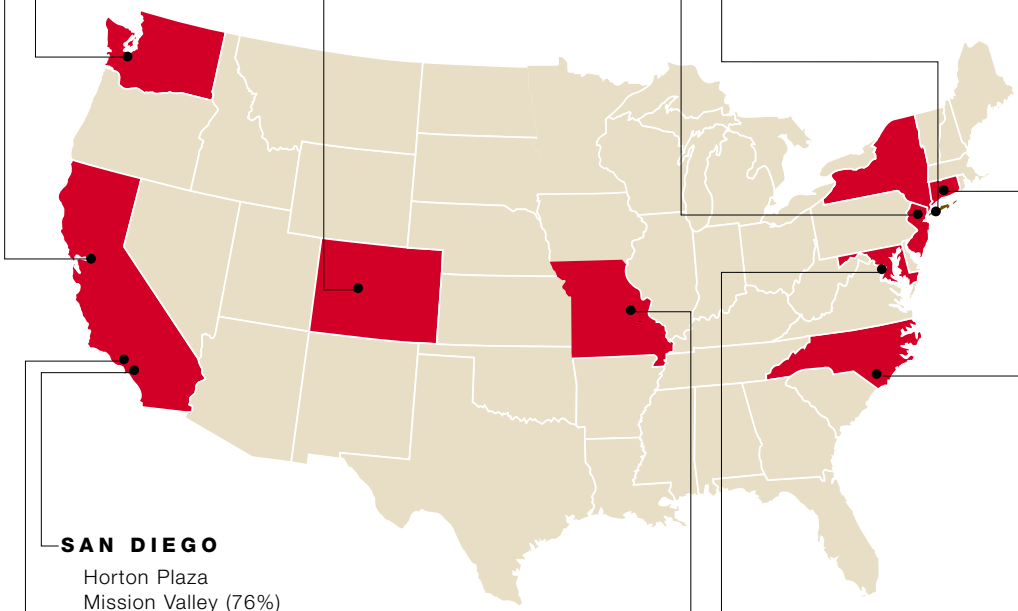
westfield america trust

HALF YEAR REPORT

2000

our **portfolio**

Westfield America Trust



NORTHERN CALIFORNIA

Downtown Plaza
Oakridge
Solano
Valley Fair (50%)

CONNECTICUT

Connecticut Post
Enfield
Meriden
Trumbull

NEW JERSEY

Garden State Plaza (50%)

NEW YORK

South Shore

WASHINGTON

Capital Mall
Vancouver (50%)

COLORADO

Westland

SAN DIEGO

Horton Plaza
Mission Valley (76%)
Mission Valley West (76%)
North County
Parkway Plaza
Plaza Bonita
Plaza Camino Real (40%)
UTC (50%)

LOS ANGELES

Eagle Rock
Eastland
Fox Hills
Palm Desert
Promenade
Santa Anita (90%)
Topanga
West Covina

MISSOURI

ST. LOUIS

Crestwood
Mid Rivers
Northwest Plaza
South County
West County
West Park

NORTH CAROLINA

Independence Mall (85%)

MARYLAND

Annapolis
Montgomery Mall
Wheaton

Note: In this Half Year Report, all amounts are in Australian dollars unless stated otherwise.

directors' report

Highlights

- Profit after tax up 22.0% to $66.5 million;
- Distribution to unit holders up 6.2% to 6.38 cents per unit;
- Total consolidated assets up 11.8% to US$4.7 billion ($7.9 billion);
- Equity attributable to unit holders up 25.8% to US$986.7 million ($1.6 billion);
- Redevelopment projects with a combined value of US$590 million were completed or are under construction;
- Acquisition of 50% interest in Westfield Shoppingtown Garden State Plaza.

Profit

Westfield America Trust's profit after tax for the six months to 30 June 2000 was $66.5 million, up 22.0% on the same period last year. This result represents 6.38 cents per unit, an increase of 6.2% over the previous corresponding period.

The underlying US dollar earnings were converted into Australian dollars at an average exchange rate of US$0.6412.

The profit is after US withholding tax for which Australian investors receive a tax credit.

Property Investments

Westfield America's portfolio of US shopping centres continued to perform strongly in the period ended 30 June 2000. Specialty store sales totalled US$1.5 billion, a 6.7% increase over the same period last year (on a comparable basis) and specialty store space was 93% leased (compared with 92% at 30 June 1999).

This very healthy performance by the shopping centres reflects the continued strength and positive momentum of the Trust's investments. Retail sales have continued to show strong increases and underpin a positive leasing environment.

Redevelopment Program

Two projects were completed during the six month period and six projects are under construction.

Importantly for Westfield America Trust's unit holders, the substantial investment made to redevelop the shopping centres enhances the total return from these

Financial Highlights

	June 2000	June 1999	% Change
Unit holders' funds (US$ million)	986.7	784.2	25.8%
Net asset backing per unit (US cents per unit)	93.9	86.7	8.3%
Operating profit before tax ($ million)	70.2	57.3	22.5%
Operating profit before tax (cents per unit)	6.74	6.32	6.6%
Distribution per unit (cents per unit)	6.38	6.01	6.2%

Compound annual rates of return
(% pa) as at 30 June 2000

	1 Year	3 Years	Since Listing (July 1996)
Westfield America Trust	13.6%	19.7%	20.6%
ASX Property Trust Index	12.1%	8.8%	13.0%
ASX All Ordinaries	13.7%	10.1%	15.1%

Source: ASX/S&P Index Services

directors' report

centres over the medium to long term. At the same time, the Trust seeks to achieve an initial yield from the projects that is greater than the cost of capital for the Trust, leading to distribution growth.

The following projects were completed during the six month period:

- Westfield Shoppingtown Connecticut Post (Milford, Connecticut) - a new two-level, 18,100 square metre Sears department store has been added as well as approximately 4,100 square metres of specialty shops at a total cost of US$28 million.

The new Sears store opened on 1 April 2000 with sales exceeding expectations. Since the Sears opening, mall traffic has increased 20% and many of the specialty stores have reported double digit sales increases.

- Westfield Shoppingtown Mid Rivers (St. Louis, Missouri) - this US$20 million project, including a new 5,200 square metre, 15-screen, stadium style cinema and 2,500 square metres of mall shops, was completed on 28 February 2000.

The following projects, with a combined value of US$542 million, are currently under way:

- Westfield Shoppingtown West County (St. Louis, Missouri) - this US$232 million redevelopment project will require the phased demolition of the existing centre. A new super-regional mall will be built in its place with over 110,000 square metres of retail space, including the only Nordstrom department store in St. Louis, a flagship Lord & Taylor, a Famous Barr department store and a renovation of the existing JCPenney department store. In addition, the completed centre will include 35,400 square metres of new specialty store space, a new food court and a 5,100 square metre multi-screen cinema on the third level.

WESTFIELD SHOPPINGTOWN VALLEY FAIR, CALIFORNIA

- Westfield Shoppingtown Valley Fair (San Jose, California) - this US$165 million redevelopment project (Westfield America's share is US$82.5 million) will add a new 21,000 square metre Nordstrom department store and approximately 26,000 square metres of new leasable mall shop space plus the reconfiguration of approximately 5,200 square metres of existing space.
- Westfield Shoppingtown Independence Mall (Wilmington, North Carolina) - this US$55 million redevelopment incorporates a fourth anchor, Dillard's Department Store, 15,000 square metres of specialty shops, a food court, restaurants and a renovation of the existing centre.
- Westfield Shoppingtown South County (St. Louis, Missouri) - this US$54 million redevelopment includes the renovation of the existing centre plus the addition of a three-level, 15,000 square metre Sears department store, two levels of new and reconfigured specialty stores, a food court and five stand-alone out parcels. Upon completion, the centre will be a super-regional shopping centre with 98,500 square metres of retail space.
- Westfield Shoppingtown Annapolis Mall (Annapolis, Maryland) - the existing cinema has been replaced with a new 4,800 square metre, 11-screen cinema complex. Approximately 1,500 square metres of shops and restaurants are also being added. In addition, approximately 1,700 square metres of existing space is being reconfigured. The total project cost is US$22 million.
- Westfield Shoppingtown Parkway Plaza (Los Angeles, California) - this US$14 million redevelopment of the retail strip adjacent to the regional mall will both revitalise this part

directors' report

of the centre and drive increased traffic flow for the centre as a whole.

Two additional projects, with a combined value of US$54 million, are due to commence in the second half of the year:

- Westfield Shoppingtown Promenade (Los Angeles, California) - this US$35 million redevelopment will transform the centre into the premier lifestyle/entertainment destination in the West San Fernando Valley.
- Westfield Shoppingtown Montgomery Mall (Bethesda, Maryland) - This US$19 million redevelopment will result in May Company expanding and remodelling its existing store through the acquisition of the top level of the JCPenney department store. The lower level of the JCPenney store will be utilised to create 5,900 square metres of mall space, including an Old Navy store.

Property Transaction

In June 2000, Westfield America acquired a 50% interest in Westfield Shoppingtown Garden State Plaza, a super-regional mall located in Paramus, New Jersey. The centre is an outstanding asset, located about 16 kilometres outside New York City, and is the premier centre in its trade area of close to two million people.

Garden State Plaza has a gross leasable area of approximately 186,000 square metres and is anchored by five major US department stores: Macy's, Nordstrom, JCPenney, Neiman Marcus and Lord & Taylor.

Financial Position

As at 30 June 2000, Westfield America Trust, the 4th largest property trust listed on the Australian Stock Exchange, had a market capitalisation of $1.68 billion.

The Trust has revalued 12 of its shopping centre assets during the period ended 30 June 2000, with a net increase in the book value of those assets of US$110 million.

Total consolidated assets of the Trust were US$4.7 billion ($7.9 billion) as at 30 June 2000, up 11.8% from 30 June 1999. Equity attributable to unit holders was US$986.7 million, ($1.6 billion) up 25.8% from a year ago.

At 30 June 2000, net asset backing per unit was US$0.94, an increase of 8.3% over the June 1999 figure of US$0.87. In Australian dollar terms, net asset backing per unit increased by 18.9% from $1.31 to $1.56.

WESTFIELD SHOPPINGTOWN HORTON PLAZA, SAN DIEGO

Income Distribution

An interim distribution of 6.38 cents per unit will be paid on 31 August 2000 to holders of units as at the record date of 17 August 2000.

The distribution on the DRP units issued in February 2000 is 4.28 cents.

Directors

The Directors of Westfield America Management Limited, the Responsible Entity of Westfield America Trust, during the half year were FP Lowy AC, FG Hilmer AO, DH Lowy, RA Ferguson, DM Gonski, SP Johns, PS Lowy, SM Lowy, DR Wills AO and CM Zampatti AM. Each of those Directors held office throughout the half year and there has been no change to the Board since the end of the half year.

Managed Investment Act

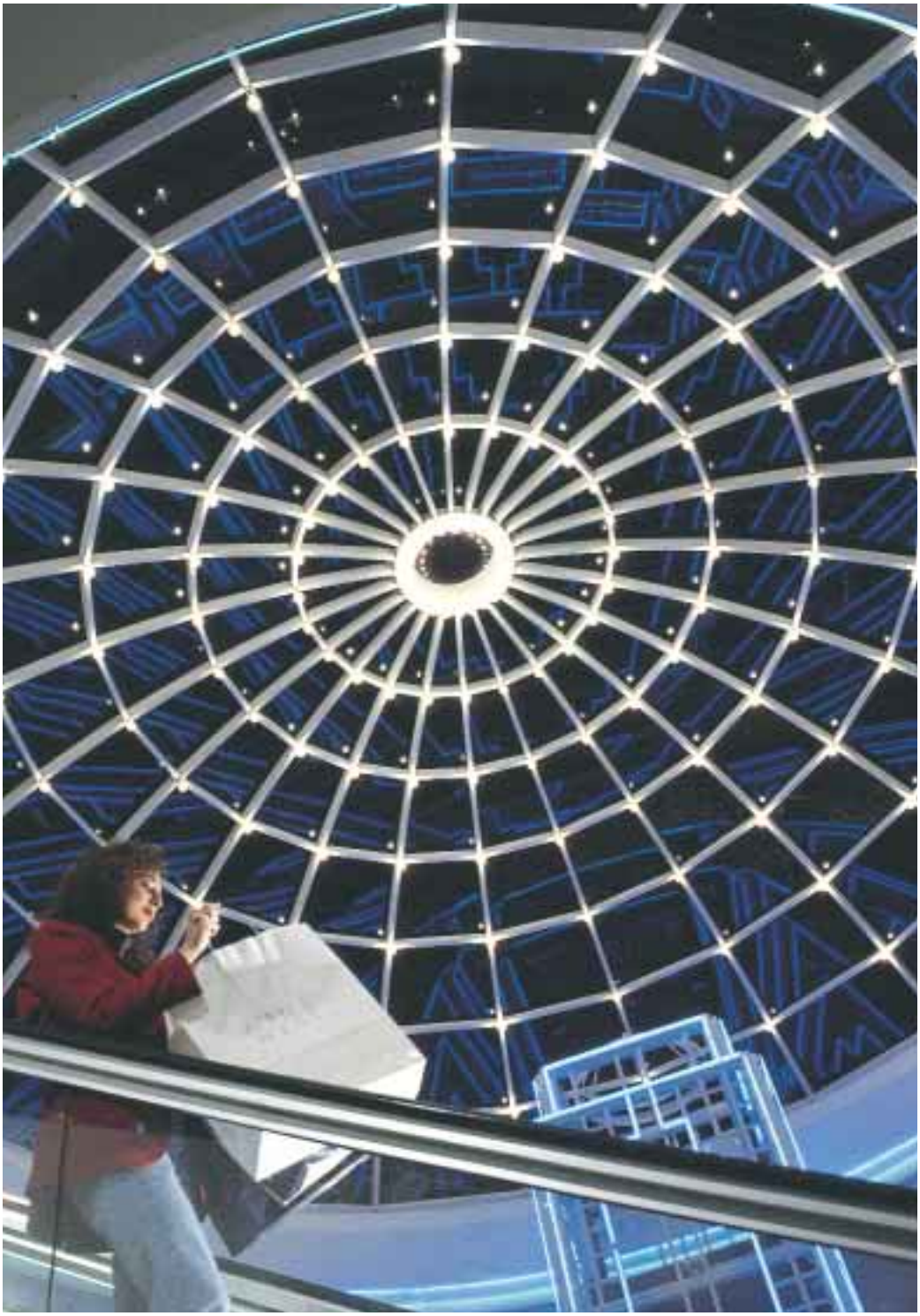
On 3 April 2000, Westfield America Trust was registered as a managed investment scheme, with Westfield America Management Limited assuming the role of Responsible Entity of the Trust. The Responsible Entity's Compliance Committee comprises JB Studdy AM, GT Forster and SP Johns.

Outlook

The Directors expect, barring unforeseen circumstances, a sound performance in the second half of 2000, which should lead to increased distributions to unit holders.

Made on 16 August 2000 in accordance with a resolution of the Board of Directors

F P Lowy AC
Chairman



WESTFIELD SHOPPINGTOWN MERIDEN, CONNECTICUT

statutory & **financial** statements

for the half year ended 30 June 2000

CONSOLIDATED

profit and loss statement

for the six months ended 30 June 2000

	NOTE 1(n)	US$ MILLION 30 JUNE 2000	US$ MILLION 30 JUNE 1999	A$ MILLION 30 JUNE 2000	A$ MILLION 30 JUNE 1999
Operating Revenue					
Shopping Centre Rental and Other Income		255.2	249.8	409.6	388.1
Department Store Lease Rental		3.9	3.9	6.3	6.1
Interest Income		8.2	8.8	13.2	13.7
Other Income		0.2	0.1	0.3	0.2
Share of Equity Accounted Joint Ventures' Net Profits	17(b)	9.5	7.4	15.2	11.6
		277.0	270.0	444.6	419.7
Less – Operating Expenditure					
Rates, Taxes and Other Property Outgoings	18	87.1	83.1	139.8	129.2
Interest and Other Borrowing Costs	19	77.7	85.4	124.7	132.7
Department Store Debt Interest Expense	19	2.4	2.5	3.9	3.9
Coupon on Capital Notes	19	12.0	12.0	19.7	18.6
Coupon on Convertible Redeemable Preference Shares	19	7.4	7.4	12.2	11.6
Legal Fees		0.0	0.0	0.0	0.0
Auditors' Remuneration	20	0.4	0.3	0.6	0.5
Trustee/Custodian Fees		0.0	0.0	0.0	0.0
Manager's Service Fee	28(iii)(d)	–	–	–	–
Advisor's Service Fee	28(iii)(d)	5.4	3.6	8.7	5.7
Other Expenses		0.9	0.9	1.3	1.5
		193.3	195.2	310.9	303.7
Currency Translation Gains/(Losses)		–	–	0.1	(0.8)
Earnings Before Withholding Tax		83.7	74.8	133.8	115.2
Less – United States Withholding Tax thereon		2.7	2.2	4.3	3.3
Earnings After Withholding Tax but before Outside Equity Interests		81.0	72.6	129.5	111.9
Less – Earnings After Withholding Tax Attributable to Outside Equity Interests		38.4	37.0	63.0	57.4
Earnings After Withholding Tax and Outside Equity Interests		42.6	35.6	66.5	54.5
Less – Distribution Payable		42.6	35.5	66.5	54.4
Retained Earnings brought forward		33.9	33.9	52.9	52.9
Retained Earnings carried forward		33.9	34.0	52.9	53.0

	NOTE 1(n)	US$ MILLION 30 JUNE 2000	US$ MILLION 30 JUNE 1999	A$ MILLION 30 JUNE 2000	A$ MILLION 30 JUNE 1999
Earnings attributable to Members of Westfield America Trust					
Earnings before Withholding Tax		45.0	37.4	70.2	57.3
Less – United States Withholding Tax thereon		2.4	1.8	3.7	2.8
Earnings after Withholding Tax and Outside Equity Interests Attributable to Members of Westfield America Trust		42.6	35.6	66.5	54.5
Basic Earnings per Unit	21	CENTS	CENTS	CENTS	CENTS
Earnings before Withholding Tax		4.32	4.13	6.74	6.32
Less – United States Withholding Tax thereon		0.23	0.20	0.36	0.31
Earnings after Withholding Tax and Outside Equity Interests Attributable to Members of Westfield America Trust		4.09	3.93	6.38	6.01
Distribution per Unit		4.09	3.93	6.38	6.01

There is no material difference between Basic and Diluted Earnings Per Unit in respect of the current and previous corresponding financial periods.

CONSOLIDATED

balance sheet

as at 30 June 2000

	NOTE 1(n)	US$ MILLION 30 JUNE 2000	31 DEC 1999	30 JUNE 1999	A$ MILLION 30 JUNE 2000	31 DEC 1999	30 JUNE 1999
CURRENT ASSETS							
Cash		46.8	46.9	24.9	73.5	72.2	38.3
Receivables	2	26.7	27.9	24.3	44.5	42.8	36.8
Other	3	14.7	11.6	10.2	24.4	17.8	15.5
TOTAL CURRENT ASSETS		88.2	86.4	59.4	142.4	132.8	90.6
NON-CURRENT ASSETS							
Investments	4,5	4,589.3	4,307.2	4,130.7	7,642.4	6,590.9	6,263.4
Other	6	58.6	59.7	46.5	97.7	91.5	70.5
TOTAL NON-CURRENT ASSETS		4,647.9	4,366.9	4,177.2	7,740.1	6,682.4	6,333.9
TOTAL ASSETS		4,736.1	4,453.3	4,236.6	7,882.5	6,815.2	6,424.5
CURRENT LIABILITIES							
Accounts payable	7	117.7	119.9	115.3	191.5	184.0	175.2
Borrowings	8	23.1	155.8	519.9	38.6	238.4	788.4
Capital Notes	9	100.4	–	–	167.1	–	–
TOTAL CURRENT LIABILITIES		241.2	275.7	635.2	397.2	422.4	963.6
NON-CURRENT LIABILITIES							
Accounts payable	10	66.3	67.6	19.9	110.4	103.5	30.3
Borrowings	11	2,177.4	1,947.6	1,532.6	3,626.0	2,980.3	2,323.9
Capital Notes	12	200.7	301.1	301.1	334.3	460.7	456.5
Convertible Redeemable Preference Shares	13	175.0	175.0	175.0	291.4	267.8	265.4
TOTAL NON-CURRENT LIABILITIES		2,619.4	2,491.3	2,028.6	4,362.1	3,812.3	3,076.1
TOTAL LIABILITIES		2,860.6	2,767.0	2,663.8	4,759.3	4,234.7	4,039.7
NET ASSETS		1,875.5	1,686.3	1,572.8	3,123.2	2,580.5	2,384.8
EQUITY INTERESTS							
Parent Entity Interest							
Units on Issue	14	863.7	838.1	728.4	1,148.0	1,106.5	938.6
Reserves	15	89.1	23.5	21.8	442.2	211.0	197.2
Retained Earnings		33.9	33.9	34.0	52.9	52.9	53.0
Equity attributable to Unitholders of Westfield America Trust		986.7	895.5	784.2	1,643.1	1,370.4	1,188.8
Outside Equity Interests							
Capital on Issue		698.5	656.2	661.4	936.4	858.0	865.7
Reserves		126.2	76.4	78.1	445.2	262.7	254.8
Retained Earnings		64.1	58.2	49.1	98.5	89.4	75.5
Total Outside Equity Interests	16	888.8	790.8	788.6	1,480.1	1,210.1	1,196.0
TOTAL EQUITY INTERESTS		1,875.5	1,686.3	1,572.8	3,123.2	2,580.5	2,384.8

statement of cash flows

for the six months ended 30 June 2000

	NOTE 1(n)	US$ MILLION 30 JUNE 2000	US$ MILLION 30 JUNE 1999	A$ MILLION 30 JUNE 2000	A$ MILLION 30 JUNE 1999
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts in the course of operations		260.3	257.2	417.7	399.6
Payments in the course of operations		(94.7)	(94.3)	(151.9)	(146.6)
Interest received		9.2	9.1	14.7	14.2
Distributions received from equity accounted joint ventures		9.4	7.4	15.1	11.6
CASH IN/(OUT) FLOWS FROM OPERATING ACTIVITIES	31(b)	184.2	179.4	295.6	278.8
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchases of property investments and construction in progress		(75.3)	(68.2)	(123.8)	(106.8)
Proceeds from sale of investments		–	243.6	–	372.4
Net cash flows from financing of investments in equity accounted joint ventures		(3.3)	25.1	(5.5)	38.9
CASH IN/(OUT) FLOWS FROM INVESTING ACTIVITIES		(78.6)	200.5	(129.3)	304.5
CASH FLOWS FROM FINANCING ACTIVITIES					
Issue of capital (net of costs)		30.2	–	49.6	–
Acquisition of minority interests		(17.3)	–	(28.6)	–
Borrowings – repayments		–	(223.1)	–	(339.1)
Borrowings – proceeds		67.6	–	111.3	–
Interest and other borrowing costs paid		(109.0)	(112.4)	(176.8)	(174.6)
Distributions paid		(39.5)	(34.8)	(60.9)	(46.6)
Dividends and distributions paid by controlled entities to Outside Equity Interests		(30.3)	(31.6)	(48.1)	(49.1)
United States Withholding Taxes paid		(7.4)	(6.2)	(11.6)	(9.1)
CASH IN/(OUT) FLOWS FROM FINANCING ACTIVITIES		(105.7)	(408.1)	(165.1)	(618.5)
NET CASH IN/(OUT) FLOWS FOR THE PERIOD		(0.1)	(28.2)	1.2	(35.2)
CASH BALANCE AT BEGINNING OF THE PERIOD		46.9	54.7	72.2	77.5
Adjustment to cash balance at the beginning of the period on application of equity accounting of previously proportionately consolidated joint venture interests		–	(1.7)	–	(2.7)
Exchange gains/(losses) on cash balance brought forward at the beginning of the period		–	–	0.1	(1.4)
CASH BALANCE AT END OF THE PERIOD	31(a)	46.8	24.8	73.5	38.2

NOTE 1 STATEMENT OF PRINCIPAL ACCOUNTING POLICIES

(a) Basis of Preparation

The Half Year Report is a general purpose financial report which has been prepared in accordance with the requirements of the Corporations Law, applicable Australian Accounting Standards including AASB 1029: Half Year Accounts and Consolidated Accounts and other mandatory professional reporting requirements.

The Half Year Report is to be read in conjunction with the Annual Report of Westfield America Trust for the year ended 31 December 1999 and any public announcement made by Westfield America Trust and its controlled entities during the half year ended 30 June 2000 in accordance with the continuous disclosure obligations arising under the Corporations Law.

For the purpose of the Half Year Report, the half year has been treated as a discrete reporting period.

The Half Year Report has been prepared on the basis of historical cost accounting and does not purport to disclose current values except where, in accordance with the requirements of the Constitution, property investments are revalued at intervals of not more than three years. Such valuations are reflected in the Financial Statements of the Economic Entity. On the occasion of a revaluation of a property investment by way of independent valuation, the remaining assets in that class are reviewed and appropriate adjustments made for any material increment or decrement.

The accounting policies adopted are in all material respects consistent with those applied in the previous period except as otherwise stated.

(b) Principles of Consolidation

The Consolidated Financial Report includes the results, assets and liabilities of the Parent Entity, Westfield America Trust ("WAT"), its controlled entities and partially owned property partnerships as noted below.

WAT and its controlled entities are collectively referred to as the "Group". The Group and its equity accounted property interests are collectively referred to as the "Economic Entity".

The Group has significant co-ownership interests in a number of properties. These interests are held through partial ownership in property partnerships. In accordance with AASB 1006 "Interests in Joint Ventures", the Group has consolidated partially owned property partnerships which it controls and has applied the equity method of accounting to partially owned partnerships that are joint ventures over which it has significant influence.

Where entities adopt accounting policies which differ from those of the Parent Entity, adjustments have been made so as to ensure consistency with the Parent Entity, and compliance with applicable Australian Accounting Standards and the provisions of the Constitution of the Parent Entity. All intercompany balances and transactions, and unrealised profits arising from intra-Economic Entity transactions, have been eliminated in full.

The names of the controlled entities and the equity accounted property partnerships, and the Economic Entity's beneficial interests therein are set out in Notes 17 & 30.

(c) Foreign Currencies

Translation of foreign currency transactions

Transactions in foreign currencies of entities within the Economic Entity are converted to local currency at the rate of exchange ruling at the date of the transaction or at hedge rates where applicable.

Amounts payable to and by the entities within the Economic Entity that are outstanding at the balance date and are denominated in foreign currencies have been converted to local currency using rates of exchange ruling at the end of the period.

Except for certain specific hedges and hedges of foreign currency operations, all resulting exchange differences arising on settlement or re-statement are brought to account in determining the earnings before withholding tax and outside equity interest for the financial period, and transaction costs, premiums and discounts on forward currency contracts are deferred and amortised over the life of the contract.

NOTE 1 STATEMENT OF PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Hedges of foreign operations

Exchange gains and losses on instruments which hedge borrowings and investments in foreign operations are taken to the foreign currency translation reserve on consolidation.

Translation of accounts of foreign operations

All overseas operations are deemed self sustaining as each is financially and operationally independent of WAT. The Financial Reports of overseas operations are translated to Australian dollars using the current rate method, except for hedged assets and liabilities which are translated at the applicable currency hedge contract rates. Any exchange differences are taken directly to the foreign currency translation reserve.

Applicable exchange rates

Where relevant, assets and liabilities of the Economic Entity's United States operations have been translated into Australian Dollars at the period end exchange rate applicable for the period: June 2000 A$1.00=US$0.6005; December 1999 A$1.00=US$0.6535; and June 1999 A$1.00=US$0.6595. Revenue and expenses have been translated at an exchange rate of, 2000: A$1.00=US$0.6231, 1999: A$1.00=US$0.6436. Operating profit after tax, attributable to members reflects the US Dollar hedge rates applicable for the period, 2000: A$1.00=US$0.6412 and 1999: A$ 1.00=US$ 0.6535.

(d) Revenue

Revenue from rents and other property income (net of bad and doubtful debts) is brought to account on an accruals basis, and if not received at balance date, is reflected in the Balance Sheet as receivables. Percentage rent is brought to account on an accruals basis. Recoveries from tenants are recognised as income in the period the applicable costs are accrued. Profits from the sale of property investments are recognised upon settlement and after contractual duties are completed.

(e) Expenditure

Expenditure including rates, taxes and other outgoings, is brought to account on an accruals basis.

(f) Income Tax

Under current Australian Income Tax legislation, WAT is not liable to income tax including capital gains tax, provided it distributes an amount at least equal to its distributable income (as defined in the Constitution) for the year.

Westfield America, Inc. ("WEA"), is a Real Estate Investment Trust ("REIT") for United States Income Tax purposes. To maintain its REIT status, WEA is required to distribute at least 95% of its taxable income to shareholders and meet certain asset and income tests as well as certain other requirements. As a REIT, WEA will generally not be liable for federal and state income taxes in the United States, provided it satisfies the necessary requirements and distributes 100% of its taxable income to its shareholders.

Under current Australian Income Tax legislation, Unit Holders in WAT are generally entitled to receive a foreign tax credit for US withholding tax deducted from dividends paid to WAT by WEA. Withholding tax expense has been calculated after adjusting for the effect of timing differences which occur when items are assessed or deducted for tax purposes in a different period than for accounting.

(g) Investments

Property Investments

Land and buildings are considered as having the function of an investment and therefore are regarded as a composite asset, the overall value of which is influenced by many factors, the most prominent being income yield, rather than by the diminution of value of the building content due to the effluxion of time.

Accordingly, the buildings and any component thereof (including plant and equipment) are not depreciated.

Property investments are not revalued to an amount above their recoverable amount, and where carrying values exceed this recoverable amount assets are written down. In determining recoverable amount the expected net cash flows have been discounted to their present value using a market determined risk adjusted discount rate.

NOTE 1 STATEMENT OF PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

(g) Investments (continued)

Equity Accounted Joint Ventures

Investments in equity accounted joint ventures are carried at the lower of the equity accounted amount and recoverable amount.

Other Investments

Investment in participating loan is carried at the lower of cost or expected recoverable amount.

(h) Replacements and Maintenance

The Economic Entity's major source of income is from its investment in shopping centre properties. Whilst no provision for maintenance is made in respect of these properties, in order to maintain these assets to provide the existing economic return, regular revaluations are made which take into account the need for future repairs, replacements and maintenance of a substantial but infrequent nature which are capitalised when incurred.

Expenditures for repairs and maintenance that are not of a substantial or infrequent nature are expensed as incurred. Certain of these costs are chargeable to the tenants as provided in their leases and such reimbursements are included in operating revenue.

(i) Properties Subject to Development

Expenses capitalised to properties subject to development include the cost of acquisition, development, rates, taxes and borrowing costs during development. After development is completed, borrowing costs and other holding charges are expensed as incurred.

(j) Cash Flows

For the purposes of the Statement of Cash Flows, cash includes cash on hand and at bank, short term money market deposits and bank accepted bills of exchange readily convertible to cash, net of bank overdrafts.

(k) Financial Information Expressed in United States Dollars

In addition to all amounts reported in Australian Dollars ("A$" or "$"), where appropriate, United States Dollar amounts or equivalent amounts ("US$") have also been provided in respect of certain assets, liabilities, revenue and expenditure.

The amounts reported in US$ have been taken directly from the US$ denominated Financial Statements of the relevant controlled or equity accounted entities, or, where a currency other than the US$ is the functional currency, have been translated into US$ at the exchange rate ruling at the date of the transaction and at the hedge rate in respect of specifically hedged items.

(l) Derivatives and Other Financial Instruments

The Economic Entity's activities expose it to changes in interest rates and foreign exchange rates. There are policies and limits approved by the Board of Directors of the Responsible Entity in respect of the usage of derivative and other financial instruments to hedge cashflows subject to interest rate and currency risks. Management reports to the Board on a regular basis as to the monitoring of the policies in place.

The accounting policies adopted in relation to material financial instruments are detailed as follows:

Recognised Financial Instruments

(i) Financial Assets

Investment in Participating Loan

The investment is carried at the lower of cost or recoverable amount. Interest income is recognised on an accruals basis. Terms and conditions are set out in Note 4.

NOTE 1 STATEMENT OF PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

(ii) Financial Liabilities

Bank Loans, Capital Notes, Notes Payable and Convertible Redeemable Preference Shares

Bank loans, capital notes, notes payable and convertible redeemable preference shares are carried at their face value or at their fair value at the time of acquisition in the case of assumed liabilities. Interest is charged as an expense on an accruals basis. Terms and conditions are set out in Notes 8, 9, 11, 12 and 13.

Given their economic characteristics, Westfield America Management Limited considers the convertible redeemable preference shares to be equity. However, they have been treated as debt in accordance with Australian Accounting Standard AASB 1033 – "Presentation and Disclosure of Financial Instruments" and other mandatory professional reporting requirements.

Unrecognised Derivative Financial Instruments

Interest Rate Swaps

The Economic Entity enters into interest rate swap agreements with the objective of hedging the risk of interest rate fluctuations in respect of underlying borrowings. Net receipts and payments in relation to interest rate swaps are recognised in the profit and loss account on an accruals basis over the life of the hedges. Details are set out in Note 27.

Cross Currency Swaps and Forward Exchange Contracts

The Economic Entity enters into cross currency swaps and forward exchange contracts where it agrees to buy or sell specified amounts of foreign currencies at predetermined exchange rates. The objective is to minimise the risk of exchange rate fluctuation in respect of a portion of its foreign currency denominated liabilities and future earnings. The values of the cross currency swaps and forward exchange contracts are brought to account in conjunction with the liabilities and income to which the hedges relate. Details are set out in Note 27.

The Economic Entity does not trade in derivative financial instruments for speculative purposes. In conjunction with its advisers, the Economic Entity continually reviews its exposures and upgrades its treasury policies and procedures. Revenues or expenses arising from changes in the net market values of hedging instruments are matched and brought to account with the carrying values and income streams of the underlying assets or liabilities.

Disclosure of Market Values

The applicable market rates and prices in respect of derivative and other financial instruments are set out in the notes to these Financial Statements.

(m) Borrowing Costs

Borrowing costs are recognised as expenses in the period in which they are incurred, except as stated in Note 1(i). Borrowing costs include:

(i) interest on bank overdrafts and short-term and long-term borrowings;

(ii) interest on derivative financial instruments which hedge underlying borrowings;

(iii) amortisation of discounts or premiums relating to borrowings; and

(iv) amortisation of ancillary costs incurred in connection with the arrangement of borrowings.

(n) Rounding

Pursuant to ASIC Class Order 98/0100, the amounts shown in the Financial Report have, unless otherwise indicated, been rounded to the nearest tenth of a million dollars. Amounts shown as 0.0 represent amounts less than $50,000 that have been rounded down.

(o) Comparative Figures

Except as noted, certain comparative figures have been restated in order to comply with the current period's presentation of the Financial Report.

	US$ MILLION			A$ MILLION		
	30 JUNE 2000	31 DEC 1999	30 JUNE 1999	30 JUNE 2000	31 DEC 1999	30 JUNE 1999
NOTE 2 RECEIVABLES						
Trade debtors	28.1	28.1	25.5	46.8	43.2	38.6
Less: Provision for doubtful debts (refer below)	(1.4)	(0.2)	(1.2)	(2.3)	(0.4)	(1.8)
	26.7	27.9	24.3	44.5	42.8	36.8
Movement in provision for doubtful debts						
Balance at beginning of the period	(0.2)	(1.2)	(1.2)	(0.4)	(1.8)	(1.8)
Bad debts previously provided for written-off during the period	0.7	2.1	1.5	1.3	3.2	2.3
Bad and doubtful debts expensed/provided for during the period	(1.9)	(1.1)	(1.5)	(3.2)	(1.8)	(2.3)
Balance at end of the period	(1.4)	(0.2)	(1.2)	(2.3)	(0.4)	(1.8)

NOTE 3 OTHER ASSETS – CURRENT						
Prepayments, deferred costs and other debtors	14.7	11.6	10.2	24.4	17.8	15.5
	14.7	11.6	10.2	24.4	17.8	15.5

	US$ MILLION			A$ MILLION		
	30 JUNE 2000	31 DEC 1999	30 JUNE 1999	30 JUNE 2000	31 DEC 1999	30 JUNE 1999
NOTE 4 INVESTMENTS						
Shopping centre, department stores and other property investments, based on independent valuations and acquisition costs, as appropriate (refer Notes 5(a) and 5(b))	4,065.2	3,845.5	3,717.1	6,769.7	5,884.2	5,636.3
Shopping centre construction in progress, at cost	85.2	64.5	31.3	141.9	98.8	47.4
Investment in equity accounted joint ventures (refer Note 17(d))	438.9	252.2	237.3	730.8	385.9	359.8
Investment in participating loan at cost*	–	145.0	145.0	–	222.0	219.9
	4,589.3	4,307.2	4,130.7	7,642.4	6,590.9	6,263.4

* In May 1997, WEA made a non-recourse participating loan of US$145 million ("GSP Loan") to Westfield Holdings Limited ("WHL") entities. The GSP Loan had a ten year term, and was secured by first ranking mortgage over WHL's 50% indirect interest in the Garden State Plaza shopping centre ("GSP Interest"). The GSP Loan carried interest at a fixed rate of 8.5% p.a. together with a further participating interest of up to 2.5% p.a., based on the yield of the shopping centre. The Economic Entity also held an option to acquire, at market value, all the outstanding stock of Westland Realty, Inc. ("WRI") which is the beneficial owner of the GSP Interest. The GSP Interest was acquired by the Economic Entity, and the GSP Loan was assumed, on 1 June 2000. (Refer Note 28).

NOTE 5(A) DETAILS OF INVESTMENTS

(expressed in US$ million)

FREEHOLD PROPERTY	CONSOLIDATED OR EQUITY ACCOUNTED INTEREST %	OWNERSHIP INTEREST %	ORIGINAL PURCHASE DATE	TOTAL ORIGINAL ACQUISITION COST	CAPITAL EXPENDITURE SINCE ACQUISITION	INDEPENDENT VALUATION	CAPITAL EXPENDITURE SINCE VALUATION	BOOK VALUE 30 JUNE 2000
CONSOLIDATED PROPERTIES								
Annapolis	100.0	100.0	01/07/96 & 03/06/97	187.3	6.3	203.7 (i)	0.7	204.4
Capital Mall	100.0	100.0	07/10/98 & 09/12/98	54.5	4.3	n/a	–	58.8
Connecticut Post	100.0	100.0	01/07/96	139.2	16.4	148.6 (ii)	8.2	156.8
Crestwood	100.0	100.0	15/01/98	106.4	8.1	127.7 (iv)	–	127.7
Downtown Plaza	100.0	100.0	02/11/98	150.1	0.9	n/a	–	151.0
Eagle Rock	100.0	100.0	01/07/96	24.7	1.7	29.3 (i)	0.6	29.9
Eastland	100.0	100.0	01/07/96	23.2	34.9	67.0 (ii)	0.5	67.5
Enfield	100.0	100.0	01/07/96	43.5	13.7	62.8 (iv)	–	62.8
Fox Hills	100.0	100.0	07/10/98	80.5	3.3	n/a	–	83.8
Horton	100.0	100.0	02/11/98	209.9	2.0	n/a	–	211.9
Independence Mall	100.0	85.0	13/08/98; 30/10/98 & 01/01/99	61.8	2.4	68.0 (v)	–	68.0
Meriden	100.0	100.0	01/07/96 & 15/09/97	105.4	38.1	132.4 (ii)	22.1	154.5
Mid Rivers	100.0	100.0	01/07/96	74.5	16.0	124.0 (iv)	–	124.0
Mission Valley & Mission Valley – West	100.0	75.8	01/07/96	125.5	38.9	165.6 (iii)	4.6	170.2
Montgomery Mall	100.0	100.0	01/07/96	230.6	1.1	262.8 (iv)	–	262.8
North County	100.0	100.0	01/07/96 & 02/11/98	153.6	2.0	148.8 (ii)	0.4	149.2
Northwest Plaza	100.0	100.0	16/12/97	111.1	5.4	135.7 (iv)	–	135.7
Oakridge	100.0	100.0	07/10/98	79.4	1.9	n/a	–	81.3
Palm Desert	100.0	100.0	18/08/99	82.2	0.1	n/a	–	82.3
Parkway Plaza	100.0	100.0	28/09/98	165.1	2.2	n/a	–	167.3
Plaza Bonita	100.0	100.0	01/07/96	122.2	1.2	133.0 (iv)	–	133.0
Promenade	100.0	100.0	27/06/98	33.5	1.2	n/a	–	34.7
Santa Anita	100.0	89.7	28/09/98 & 23/12/98	131.5	15.9	n/a	–	147.4
Solano	100.0	100.0	28/09/98	91.2	2.4	n/a	–	93.6
South County	100.0	100.0	01/07/96	69.6	2.5	75.7 (iv)	–	75.7
South Shore	100.0	100.0	01/07/96	142.8	42.5	177.4 (ii)	1.8	179.2
Topanga	100.0	100.0	01/07/96 & 17/11/98	154.5	3.5	159.1 (ii)	2.3	161.4
Trumbull	100.0	100.0	01/07/96	181.8	8.2	208.4 (ii)	1.3	209.7
West County	100.0	100.0	01/07/96	44.3	–	48.1 (ii)	–	48.1
West Covina	100.0	100.0	01/07/96	135.7	6.2	148.4 (i)	1.3	149.7
West Park Mall	100.0	100.0	01/07/96	49.1	2.8	52.0 (iv)	–	52.0
Westland	100.0	100.0	01/07/96	25.1	0.2	26.3 (ii)	–	26.3
Wheaton	100.0	100.0	30/05/97 & 01/01/99	91.6	2.3	121.1 (iv)	–	121.1
Shopping centre investments				3,481.4	288.6		43.8	3,981.8
Department stores	100.0	100.0	01/07/96	83.0	–	83.4 (iv)	–	83.4
Shopping centre, department stores and other property investments				3,564.4	288.6		43.8	4,065.2
EQUITY ACCOUNTED PROPERTIES								
Garden State Plaza	50.0	50.0	01/06/00	331.9	–	n/a	–	331.9
Plaza Camino Real	40.0	40.0	01/07/96	43.0	1.4	57.2 (iv)	–	57.2
UTC	50.0	50.0	31/07/98	93.7	0.7	n/a	–	94.4
Valley Fair	50.0	50.0	31/07/98	149.3	3.4	n/a	–	152.7
Vancouver	50.0	50.0	01/07/96	41.0	2.7	45.6 (iv)	–	45.6
West Valley	42.5	42.5	01/07/96	2.9	–	11.7 (ii)	–	11.7
Equity accounted property investments (refer Note 17(c))				661.8	8.2		–	693.5
Total consolidated controlled and equity accounted property investments				4,226.2	296.8		43.8	4,758.7

NOTE 5(B) DETAILS OF INVESTMENTS (CONTINUED)

(expressed in A$ million – Translated at the period end exchange rate of A$1.00 = US$0.6005)

FREEHOLD PROPERTY	CONSOLIDATED OR EQUITY ACCOUNTED INTEREST %	OWNERSHIP INTEREST %	ORIGINAL PURCHASE DATE	TOTAL ORIGINAL ACQUISITION COST	CAPITAL EXPENDITURE SINCE ACQUISITION	INDEPENDENT VALUATION	CAPITAL EXPENDITURE SINCE VALUATION	BOOK VALUE 30 JUNE 2000
CONSOLIDATED PROPERTIES								
Annapolis	100.0	100.0	01/07/96 & 03/06/97	311.8	10.5	339.2 (i)	1.2	340.4
Capital Mall	100.0	100.0	07/10/98 & 09/12/98	90.8	7.2	n/a	–	98.0
Connecticut Post	100.0	100.0	01/07/96	231.8	27.3	247.5 (ii)	13.6	261.1
Crestwood	100.0	100.0	15/01/98	177.2	13.5	212.7 (iv)	–	212.7
Downtown Plaza	100.0	100.0	02/11/98	249.9	1.5	n/a	–	251.4
Eagle Rock	100.0	100.0	01/07/96	41.2	2.8	48.8 (i)	1.0	49.8
Eastland	100.0	100.0	01/07/96	38.7	58.1	111.6 (ii)	0.8	112.4
Enfield	100.0	100.0	01/07/96	72.5	22.8	104.6 (iv)	–	104.6
Fox Hills	100.0	100.0	07/10/98	134.1	5.4	n/a	–	139.5
Horton	100.0	100.0	02/11/98	349.5	3.2	n/a	–	352.7
Independence Mall	100.0	85.0	13/08/98; 30/10/98 & 01/01/99	102.8	4.0	113.2 (v)	–	113.2
Meriden	100.0	100.0	01/07/96 & 15/09/97	175.5	63.4	220.5 (ii)	36.8	257.3
Mid Rivers	100.0	100.0	01/07/96	124.0	26.6	206.5 (iv)	–	206.5
Mission Valley & Mission Valley – West	100.0	75.8	01/07/96	209.0	64.8	275.8 (iii)	7.6	283.4
Montgomery Mall	100.0	100.0	01/07/96	383.8	1.8	437.6 (iv)	–	437.6
North County	100.0	100.0	01/07/96 & 02/11/98	255.9	3.3	247.8 (ii)	0.7	248.5
Northwest Plaza	100.0	100.0	16/12/97	184.9	9.0	226.0 (iv)	–	226.0
Oakridge	100.0	100.0	07/10/98	132.3	3.2	n/a	–	135.5
Palm Desert	100.0	100.0	18/08/99	136.9	0.2	n/a	–	137.1
Parkway Plaza	100.0	100.0	28/09/98	275.0	3.7	n/a	–	278.7
Plaza Bonita	100.0	100.0	01/07/96	203.5	2.0	221.5 (iv)	–	221.5
Promenade	100.0	100.0	27/06/98	55.8	2.0	n/a	–	57.8
Santa Anita	100.0	89.7	28/09/98 & 23/12/98	219.0	26.5	n/a	–	245.5
Solano	100.0	100.0	28/09/98	151.8	4.0	n/a	–	155.8
South County	100.0	100.0	01/07/96	116.0	4.2	126.1 (iv)	–	126.1
South Shore	100.0	100.0	01/07/96	237.8	70.8	295.4 (ii)	3.0	298.4
Topanga	100.0	100.0	01/07/96 & 17/11/98	257.4	5.8	264.9 (ii)	3.8	268.7
Trumbull	100.0	100.0	01/07/96	302.7	13.7	347.0 (ii)	2.2	349.2
West County	100.0	100.0	01/07/96	73.8	–	80.1 (ii)	–	80.1
West Covina	100.0	100.0	01/07/96	225.9	10.3	247.1 (i)	2.1	249.2
West Park Mall	100.0	100.0	01/07/96	81.8	4.7	86.6 (iv)	–	86.6
Westland	100.0	100.0	01/07/96	41.8	0.3	43.8 (ii)	–	43.8
Wheaton	100.0	100.0	30/05/97 & 01/01/99	152.4	3.8	201.7 (iv)	–	201.7
Shopping centre investments				5,797.3	480.4		72.8	6,630.8
Department stores	100.0	100.0	01/07/96	138.2	–	138.9 (iv)	–	138.9
Shopping centre, department stores and other property investments				5,935.5	480.4		72.8	6,769.7
EQUITY ACCOUNTED PROPERTIES								
Garden State Plaza	50.0	50.0	01/06/00	552.7	–	n/a	–	552.7
Plaza Camino Real	40.0	40.0	01/07/96	71.6	2.3	95.3 (iv)	–	95.3
UTC	50.0	50.0	31/07/98	156.0	1.2	n/a	–	157.2
Valley Fair	50.0	50.0	31/07/98	248.6	5.7	n/a	–	254.3
Vancouver	50.0	50.0	01/07/96	68.3	4.5	75.9 (iv)	–	75.9
West Valley	42.5	42.5	01/07/96	4.9	–	19.5 (ii)	–	19.5
Equity accounted property investments (refer Note 17(c))				1,102.1	13.7		–	1,154.9
Total consolidated controlled and equity accounted property investments				7,037.6	494.1		72.8	7,924.6

NOTE 5(C) DETAILS OF INVESTMENTS (CONTINUED)

The Economic Entity revalues each of its individual property investments based on independent appraisals as part of a three year progressive revaluation programme. Property investments are carried at their original acquisition cost together with capital expenditure since acquisition or at their latest revalued amount based on independent appraisals together with the cost of acquisition and capital expenditure since the previous revaluation. Details of the latest independent appraisals are as follows:

(i) The independent valuations were carried out by Landauer Associates, Inc. (Registered Valuers) as at 31 December 1998.

(ii) The independent valuations were carried out by Landauer Associates, Inc. (Registered Valuers) as at 30 June 1999.

(iii) Based on the independent valuation carried out by Landauer Associates, Inc. (Registered Valuers) as at 31 December 1998.

(iv) The independent valuations were carried out by Landauer Associates, Inc. (Registered Valuers) as at 31 May 2000.

(v) The independent valuation was carried out by Cushman & Wakefield, Inc. (Registered Valuers) as at 16 March 2000.

The valuations referred to in (i), (ii), (iii), (iv) and (v) were performed predominantly using the discounted cash flow valuation method, with use of the comparable sale and replacement method where appropriate according to the nature of the property.

NOTE 6 OTHER ASSETS – NON-CURRENT	US$ MILLION			A$ MILLION		
	30 JUNE 2000	31 DEC 1999	30 JUNE 1999	30 JUNE 2000	31 DEC 1999	30 JUNE 1999
Other debtors and deferred costs	58.6	59.7	46.5	97.7	91.5	70.5
	58.6	59.7	46.5	97.7	91.5	70.5

NOTE 7 ACCOUNTS PAYABLE – CURRENT						
Trade creditors	12.6	14.4	23.9	21.0	22.0	36.3
Other creditors and accruals	46.9	49.0	40.4	78.1	75.2	61.0
United States withholding tax payable	0.2	2.5	–	0.4	3.8	–
Distribution payable to Unit Holders	42.6	39.5	35.5	66.4	60.8	54.4
Dividend and distribution payable to Outside Equity Interests	15.4	14.5	15.5	25.6	22.2	23.5
	117.7	119.9	115.3	191.5	184.0	175.2

NOTE 8 BORROWINGS – CURRENT						
Bank overdrafts – unsecured	–	–	0.1	–	–	0.1
Bank bills payable – unsecured (refer Note 11(a))	8.5	12.4	25.8	14.2	19.0	39.2
Bank loans – unsecured	–	–	480.2	–	–	728.1
Notes payable – secured (refer Note 11(a))	14.6	143.4	13.8	24.4	219.4	21.0
	23.1	155.8	519.9	38.6	238.4	788.4

	US$ MILLION			A$ MILLION		
	30 JUNE 2000	31 DEC 1999	30 JUNE 1999	30 JUNE 2000	31 DEC 1999	30 JUNE 1999
NOTE 9 CAPITAL NOTES – CURRENT						
Capital Notes – unsecured, subordinated	93.1	–	–	155.0	–	–
Net payable on currency hedge contracts in respect of Capital Notes	7.3	–	–	12.1	–	–
	100.4	–	–	167.1	–	–

Details are set out in Note 12.

NOTE 10 ACCOUNTS PAYABLE – NON-CURRENT						
Other creditors and accruals	66.3	67.6	19.9	110.4	103.5	30.3
	66.3	67.6	19.9	110.4	103.5	30.3
NOTE 11 BORROWINGS – NON-CURRENT						
Bank loans – secured (refer (a) below)	350.0	150.8	–	582.8	230.7	–
Notes payable – secured (refer (a) below)	1,827.4	1,796.8	1,532.6	3,043.2	2,749.6	2,323.9
	2,177.4	1,947.6	1,532.6	3,626.0	2,980.3	2,323.9

(a) Current unsecured bank bills payable and non-current secured bank loans represent amounts owing to banks at floating rates under facilities maturing in December 2000 and December 2002, respectively. Current and non-current secured notes payable represent amounts owing to banks and insurance companies. These notes are secured by mortgages against the shopping centres, department stores and leases thereon, and other property investments, and are for terms expiring on various dates as set out in (c) below.

(b) Details of secured current and non-current notes payable in relation to each property is set out below:

Independence Mall	37.5	–	–	62.4	–	–
Meriden	99.1	96.3	64.0	165.0	147.4	97.0
Mission Valley & Mission Valley – West	75.0	75.0	75.0	124.9	114.8	113.7
Montgomery Mall	158.1	158.8	121.5	263.2	243.0	184.3
North County	71.7	72.4	73.0	119.4	110.8	110.8
Santa Anita	60.5	61.5	62.5	100.8	94.1	94.8
Solano	40.6	41.1	41.6	67.6	62.9	63.1
South County	–	–	28.7	–	–	43.6
Topanga	101.9	103.2	104.5	169.8	158.0	158.4
Trumbull	–	131.7	134.1	–	201.5	203.4
West County	–	–	16.8	–	–	25.4
Department stores	67.7	69.2	70.6	112.8	105.8	107.0
Pools of wholly owned centres*	1,479.9	1,281.8	754.1	2,464.5	1,961.4	1,143.4
Total secured notes payable and bank loans (current and non-current)	2,192.0	2,091.0	1,546.4	3,650.4	3,199.7	2,344.9

* Pools of wholly owned centres – Fox Hills, Horton, Parkway Plaza, Capital Mall, Mid Rivers, Plaza Bonita, West Covina, West Park Mall, Oakridge, Northwest Plaza, Crestwood, Enfield, Annapolis, Eagle Rock, Downtown Plaza, Eastland, South Shore, Connecticut Post, Palm Desert, Promenade, South County, Westland, Wheaton.

NOTE 11 BORROWINGS – NON-CURRENT (CONTINUED)

(c) The maturity profiles in respect of notes payable are set out below:

	US$ MILLION			A$ MILLION		
	30 JUNE 2000	31 DEC 1999	30 JUNE 1999	30 JUNE 2000	31 DEC 1999	30 JUNE 1999
Due within one year	14.6	143.4	13.8	24.4	219.4	21.0
Due between one and five years	1,518.1	1,283.9	1,301.3	2,528.1	1,964.7	1,973.2
Due after five years	659.3	663.7	231.3	1,097.9	1,015.6	350.7
	2,192.0	2,091.0	1,546.4	3,650.4	3,199.7	2,344.9

NOTE 12 CAPITAL NOTES – NON-CURRENT

Capital Notes – unsecured, subordinated (refer below)	186.1	303.9	306.7	310.0	465.0	465.0
Net payable/(receivable) on currency hedge contracts in respect of Capital Notes	14.6	(2.8)	(5.6)	24.3	(4.3)	(8.5)
	200.7	301.1	301.1	334.3	460.7	456.5

Pursuant to the Prospectus dated 15 May 1998, 155 million unsecured subordinated Capital Notes were issued by WEA during the period for a cash consideration of $3.00 each. They have a face value of $3.00 each and carry a fixed coupon rate of 8.01% payable semi-annually on 30 June and 31 December each year. The principal sum of Capital Notes will be repaid in three equal instalments on 29 June 2001, 28 June 2002 and 30 June 2003.

On each of those dates, concurrent with the repayment of the Capital Notes by WEA, WAT will receive the three instalments of $155 million each upon settlement of its fully underwritten Partly Paid Units (refer Note 14).

NOTE 13 CONVERTIBLE REDEEMABLE PREFERENCE SHARES

Convertible Redeemable Preference Shares	175.0	175.0	175.0	291.4	267.8	265.4

In August and December 1998, WEA issued US$175.0 million Cumulative Convertible Redeemable Preference Shares comprising US$50.0 million Series D, US$75.0 million Series C and US$50.0 million Series C-1 Cumulative Convertible Redeemable Preference Shares. In addition, US$186.0 million Cumulative Convertible Redeemable Preference shares issued by WEA to WAT have been eliminated on preparation of these consolidated Financial Statements.

Given their economic characteristics, the Responsible Entity considers these Preference Shares to be equity. However, they have been treated as debt in accordance with Australian Accounting Standard AASB 1033 – "Presentation and Disclosure of Financial Instruments" and other mandatory professional reporting requirements.

NOTE 13 CONVERTIBLE REDEEMABLE PREFERENCE SHARES (CONTINUED)

The Preference Shares were issued at a price of US$180.00 each and are not quoted on any stock exchange. Each Preference Share will convert into WEA Common Stock at any time at the option of the holder. Initially, each Preference Share will convert into ten shares of WEA Common Stock (at an effective conversion price of US$18.00 per Common Stock). This conversion ratio is subject to customary anti-dilution adjustments. Dividends on each Preference Share will be equal to the greater of 8.5% per annum or the dividend payable on the number of shares of WEA Common Stock into which the Preference Share is then convertible. If WEA ceases to qualify to be taxed as a real estate investment trust ("REIT"), such dividends will be increased by a factor of 2.5.

The Preference Shares are redeemable at the option of WEA at 100% of face value at any time after 12 August 2008. In the usual course, at any time following 12 August 2008, if the market price of WEA Common Stock is at or below the conversion price (being US$18.00), each Preference Share will be redeemable at the option of the holder at 100% of face value (including all accrued but unpaid dividends) for cash or WEA Common Stock at the option of WEA. In certain very unusual circumstances, they are also redeemable at the option of the holder: (A) in circumstances where WEA ceases to be a REIT, at 115% of face value (including all accrued but unpaid dividends); and (B) in circumstances causing a change in control of WEA, at 105% of face value (including all accrued but unpaid dividends).

If WEA is wound up, each Preference Share will carry a right to participate in the capital of WEA in the amount of US$180.00, ranking ahead of the rights of the holders of WEA Common Stock but behind all creditors and holders of other equity securities in WEA (unless the terms of those equity securities provide otherwise). The Preference Shares carry no right to vote unless the vote relates to the rights of the Preference Shares.

NOTE 14 ISSUED CAPITAL

		US$ MILLION			A$ MILLION		
		30 JUNE 2000	31 DEC 1999	30 JUNE 1999	30 JUNE 2000	31 DEC 1999	30 JUNE 1999
Ordinary Units on Issue							
Ordinary Units of $1.00 each Fully Paid	NUMBER OF UNITS						
Balance at beginning of the period	1,021,495,138	836.9	727.2	727.2	1,104.7	936.8	936.8
Placement – net of costs allotment date – 15 July 1999	–	–	84.5	–	–	128.4	–
DRP units allotment date – 31 August 1999	–	–	25.2	–	–	39.5	–
DRP units allotment date – 28 February 2000	29,859,181	25.6	–	–	41.5	–	–
Balance at end of the period	1,051,354,319	862.5	836.9	727.2	1,146.2	1,104.7	936.8
Partly Paid Units on Issue							
Partly Paid Units of $50.20 each Partly Paid to $0.20 each							
Balance at beginning and end of the period	9,300,000	1.2	1.2	1.2	1.8	1.8	1.8

NOTE 14 ISSUED CAPITAL (CONTINUED)

OPTIONS ON ISSUE	NUMBER OF OPTIONS			
Special Options – Series A	940,000	convertible to	117,426,609	WAT fully paid $1.00 Units
Special Options – Series B	270,000	convertible to	36,000,000	WAT fully paid $1.00 Units
Special Options – Series F	52,500	convertible to	55,072,500	WAT fully paid $1.00 Units
			208,499,109	

Partly Paid Units – $466.86 million

Subject to payment of the final instalment of $50.00 for each of the series, the Series A, Series B and Series C Partly Paid Units will convert into Ordinary Units in WAT on 29 June 2001, 28 June 2002 and 30 June 2003 respectively at a 5% discount to the market price for Ordinary Units at that time. The funds raised on conversion, totalling $466.86 million, have been underwritten by Warburg Dillon Read Australia Limited and will be used by WAT, pursuant to an agreement dated 29 May 1998, to subscribe for additional Common Shares in WEA at a 5% discount to the market price for Common Shares at the time.

At any time up to two days prior to the due date for the final instalment on a series of Partly Paid Units, Westfield America Management Limited, the Responsible Entity, has the right to redeem that series by the payment of $2.64 per Partly Paid Unit or by the issue of Ordinary Units to the value of $2.64.

The Partly Paid Units have no distribution entitlement to the income of WAT. The Ordinary Units into which they convert following payment of the final instalment will rank for distribution from 1 July following each respective conversion date.

Prior to the payment of the final instalment, the Partly Paid Units have no voting entitlement at meetings of unitholders in WAT except where the Corporations Law or the Listing Rules requires that Partly Paid Units carry an entitlement to vote, in which case there is a voting entitlement based on the proportion of the paid up amount on each unit to 95% of the then market value of Ordinary Units in WAT.

The Partly Paid Units are quoted as stapled securities, with each stapled security consisting of one Series A, one Series B and one Series C Partly Paid Unit. At 30 June 2000, there were 9,300,000 Partly Paid Units representing 3,100,000 stapled securities on issue which would have been convertible to 307,144,737 WAT $1.00 Units as at 30 June 2000.

Special Options

Each Series A Special Option entitles the holder the right to subscribe for 124.92 fully paid $1.00 Units in exchange for either US$100.00 ($166.53) or 1 WEA Series A Preference Share. The Series A Special Options are exercisable during the period ending on 1 July 2011. At 30 June 2000, there were 940,000 Series A Special Options on issue which are convertible to 117,426,609 WAT $1.00 Units.

Each Series B Special Option entitles the holder the right to subscribe for 133.33 fully paid $1.00 Units in exchange for either US$100.00 ($166.53) or 1 WEA Series B Preference Share. The Series B Special Options are exercisable during the period ending on 21 May 2012. At 30 June 2000, there were 270,000 Series B Special Options on issue which are convertible to 36,000,000 WAT $1.00 Units.

During the period 52,500 Series F Special Options were issued for a cash consideration of US$4.7 million. Each Series F Special Option entitles the holder the right to subscribe for 1,049 fully paid $1.00 Ordinary Units in WAT in exchange for either US$1,000 ($1,665.3) or 1 Series F Preferred Share in WEA. The Series F Special Options are exercisable during the period commencing on 1 June 2007 and ending on 1 June 2020. At 30 June 2000, there were 52,500 Series F Special Options on issue which are convertible to 55,072,500 Ordinary Units in WAT.

	US$ MILLION			A$ MILLION		
	30 JUNE 2000	31 DEC 1999	30 JUNE 1999	30 JUNE 2000	31 DEC 1999	30 JUNE 1999
NOTE 15 RESERVES						
Asset Revaluation Reserve	104.5	49.9	49.9	165.7	74.7	74.7
Asset Reallocation Reserve	(20.1)	(26.4)	(28.1)	(23.3)	(33.7)	(36.3)
Option Premium Reserve	4.7	–	–	8.1	–	–
Foreign Currency Translation Reserve	–	–	–	291.7	170.0	158.8
	89.1	23.5	21.8	442.2	211.0	197.2
Movements in Reserves						
Asset Revaluation Reserve						
Balance at beginning of the period	49.9	39.3	39.3	74.7	58.6	58.6
Increment on revaluation of property investments	54.6	10.6	10.6	91.0	16.1	16.1
Balance at end of the period	104.5	49.9	49.9	165.7	74.7	74.7
Asset Reallocation Reserve						
Balance at beginning of the period	(26.4)	(28.1)	(28.1)	(33.7)	(36.3)	(36.3)
Reallocation of attributable net assets upon the acquisition by WAT of shares in controlled entity previously owned by Outside Equity Interests	6.3	1.7	–	10.4	2.6	–
Balance at end of the period	(20.1)	(26.4)	(28.1)	(23.3)	(33.7)	(36.3)
Option Premium Reserve						
Balance at beginning of the period	–	–	–	–	–	–
Premium on issue of 52,500 Series F Special Options	4.7	–	–	8.1	–	–
Balance at end of the period	4.7	–	–	8.1	–	–
Foreign Currency Translation Reserve						
Balance at beginning of the period	–	–	–	170.0	261.8	261.8
Exchange differences arising on translation of the Financial Statements of overseas operations	–	–	–	121.7	(91.8)	(103.0)
Balance at end of the period	–	–	–	291.7	170.0	158.8

NOTE 16 OUTSIDE EQUITY INTERESTS

		US$ MILLION 30 JUNE 2000	31 DEC 1999	30 JUNE 1999	A$ MILLION 30 JUNE 2000	31 DEC 1999	30 JUNE 1999
Analysis of Outside Equity Interests							
Interests in Westfield America, Inc.							
Share Capital (i)							
30,554,531	Common Shares (Dec 1999: 31,789,631)	440.0	457.2	463.3	552.7	581.1	590.5
940,000	Series A Preference Shares (Dec 1999: 940,000) (ii)	94.0	94.0	94.0	117.4	117.4	117.4
270,000	Series B Preference Shares (Dec 1999: 270,000) (ii)	26.0	26.0	26.0	33.6	33.6	33.6
–	Non-Voting Preference Shares (Dec 1999: Nil)	–	–	0.0	–	–	0.0
3,073,378	Partnership Units (Dec 1999: 3,073,378) (iii)	54.7	54.7	54.7	88.7	88.7	88.7
52,483	Series F Partnership Preferred Units (Dec 1999: Nil) (iv)	52.4	–	–	91.6	–	–
Asset Revaluation Reserve		106.1	50.0	50.0	168.4	74.9	74.9
Asset Reallocation Reserve		20.1	26.4	28.1	23.3	33.7	36.3
Option Premium Reserve (iv)		0.0	–	–	0.0	–	–
Foreign Currency Translation Reserve		–	–	–	253.5	154.1	143.6
Retained Earnings		64.1	58.2	49.1	98.5	89.4	75.5
		857.4	766.5	765.2	1,427.7	1,172.9	1,160.5
Interest in Joint Venture Properties		31.4	24.3	23.4	52.4	37.2	35.5
		888.8	790.8	788.6	1,480.1	1,210.1	1,196.0

(i) Excluded from Outside Equity Interests are the Convertible Redeemable Preference Shares. Refer Note 13.

(ii) The Series A Preference Shares were issued on commercial terms that are substantially similar to WEA's Common Shares. These Preference Shares were issued concurrent with the restructure of WEA upon the acquisition by WAT of a controlling interest therein during July 1996. The Series B Preference Shares were also issued by WEA on commercial terms that are substantially similar to WEA's Common Shares upon the completion of its Initial Public Offering in May 1997.

The holders of the 940,000 Series A Preference Shares are entitled to an annual dividend per share equivalent to the greater of US$8.50 ($13.64) or the annual dividend paid in respect of 62.50 Common Shares. The holders of the 270,000 Series B Preference Shares are entitled to an annual dividend per share equivalent to the greater of US$8.50 ($13.64) or the annual dividend paid in respect of 66.67 Common Shares. The holder of each Preference Share is entitled to be paid US$100.00 ($166.53) upon liquidation. The Series A and Series B Preference Shares may be redeemed at the option of WEA any time after 1 July 2003 and 21 May 2004 respectively, upon payment of US$100.00 ($166.53) per share together with any accrued dividend.

(iii) Under certain circumstances, investors in the operating partnership may exchange their 3,073,378 partnership units for cash or, at the discretion of WEA, an equivalent number of Common Shares in WEA.

NOTE 16 OUTSIDE EQUITY INTERESTS (CONTINUED)

(iv) The Series F Partnership Preferred Units were issued on commercial terms that are similar to WEA's Common Shares. The holders of the 52,483 Series F Partnership Preferred Units are entitled to an annual dividend per unit equivalent to the greater of US$85.00 ($136.41) or the annual dividend paid in respect of 51.49 Common Shares. The holder of each Partnership Preferred Unit is entitled to be paid US$1,000 ($1,665.30) upon liquidation. The Series F Partnership Preferred Units may be redeemed at the option of WEA at any time after 1 June 2020, upon payment of US$1,000 ($1,665.30) per Partnership Preferred Unit together with any accrued dividend.

After 1 June 2001, the holder will have the right to require WEA to redeem the Series F Partnership Preferred Units for cash. In this situation, however, WEA will have the right to issue an equivalent number of shares of Series F Cumulative Preferred Stock ("Series F Preferred Shares") instead of paying cash.

The Series F Preferred Shares will not carry any right to convert into Common Stock of WEA. The holders of Series F Preferred Shares are entitled to an annual dividend per share equivalent to the greater of US$85.00 ($136.41) or the annual dividend paid in respect of 51.49 Common Shares. The holder of each Series F Preferred Share is entitled to be paid US$1,000 ($1,665.30) upon liquidation. The Series F Preferred Share may be redeemed at the option of WEA at any time after 20 June 2020, upon payment of US$1,000 ($1,665.30) per Series F Preferred Share together with any accrued dividend.

	US$ MILLION			A$ MILLION		
	30 JUNE 2000	31 DEC 1999	30 JUNE 1999	30 JUNE 2000	31 DEC 1999	30 JUNE 1999
Movements in Outside Equity Interests Balance at beginning of the period	790.8	726.8	726.8	1,210.1	1,199.7	1,199.7
Issue of Share Capital	52.5	22.5	22.5	91.8	35.9	35.9
Transfer upon the acquisition by WAT of shares in controlled entity previously owned by Outside Equity Interests	(17.3)	(6.1)	–	(28.6)	(9.4)	–
Premium on Issue of Put Option	0.0	–	–	0.0	–	–
Reallocation of attributable net assets upon the acquisition by WAT of shares in controlled entity previously owned by Outside Equity Interests	(6.3)	(1.7)	–	(10.4)	(2.6)	–
Adjustment to Outside Equity Interests on consolidation of previously proportionately consolidated joint venture interests	6.4	24.3	23.4	10.7	37.2	35.5
Increment on revaluation of property investments	56.8	11.1	11.1	94.6	16.8	16.8
Exchange differences arising on translation of the Financial Statements of overseas operations	–	–	–	102.8	(88.7)	(99.2)
Earnings After Withholding Tax Attributable to Outside Equity Interests	38.4	76.4	37.0	63.0	118.4	57.4
Dividends Paid and Payable to Outside Equity Interests	(32.5)	(62.5)	(32.2)	(53.9)	(97.2)	(50.1)
Balance at end of the period	888.8	790.8	788.6	1,480.1	1,210.1	1,196.0

NOTE 17 DETAILS OF EQUITY ACCOUNTED JOINT VENTURES

(a) Equity accounted property partnerships, trusts and companies:

NAME*	TYPE OF EQUITY	OWNERSHIP INTEREST	BALANCE DATE	CARRYING VALUE US$ MILLION	CARRYING VALUE A$ MILLION
Garden State Plaza	partnership units	50.0%	31-Dec-00	198.2	330.1
Plaza Camino Real	partnership units	40.0%	31-Dec-00	44.1	73.5
UTC	partnership units	50.0%	31-Dec-00	55.9	93.1
Valley Fair	partnership units	50.0%	31-Dec-00	96.4	160.4
Vancouver	partnership units	50.0%	31-Dec-00	31.4	52.2
West Valley	partnership units	42.5%	31-Dec-00	12.9	21.5
				438.9	730.8

* All equity accounted property partnerships, trusts and companies operate solely as retail property investors in the United States.

(b) Details of the Group's aggregate share of joint ventures' net profit:

	US$ MILLION 30 JUNE 2000	US$ MILLION 30 JUNE 1999	A$ MILLION 30 JUNE 2000	A$ MILLION 30 JUNE 1999
Shopping centre rental and other income	22.1	15.4	35.5	24.0
Interest income	0.1	0.1	0.2	0.1
	22.2	15.5	35.7	24.1
Rates, taxes and other property outgoings	6.1	4.5	9.9	7.0
Interest and other borrowing costs	6.5	3.6	10.5	5.5
Other expenses	0.1	–	0.1	–
	12.7	8.1	20.5	12.5
Profit before tax	9.5	7.4	15.2	11.6
Taxation	–	–	–	–
Net profit	9.5	7.4	15.2	11.6

(c) Details of the Group's aggregate share of joint ventures' assets and liabilities:

	US$ MILLION 30 JUNE 2000	US$ MILLION 31 DEC 1999	US$ MILLION 30 JUNE 1999	A$ MILLION 30 JUNE 2000	A$ MILLION 31 DEC 1999	A$ MILLION 30 JUNE 1999
Cash	6.2	4.3	3.7	10.3	6.6	5.6
Receivables	4.8	3.2	1.1	8.0	4.9	1.7
Property investments (refer Note 5(a) & 5(b))	693.5	404.2	400.5	1,154.9	618.7	607.2
Construction in progress	31.2	27.3	13.4	52.0	41.8	20.3
Other assets	4.8	0.6	1.0	8.0	0.7	1.6
	740.5	439.6	419.7	1,233.2	672.7	636.4
Payables	1.5	1.0	1.5	2.5	1.5	2.3
Borrowings	292.6	183.8	180.4	487.3	281.3	273.6
Other liabilities	7.5	2.6	0.5	12.6	4.0	0.7
	301.6	187.4	182.4	502.4	286.8	276.6
Net assets	438.9	252.2	237.3	730.8	385.9	359.8

NOTE 17 DETAILS OF EQUITY ACCOUNTED JOINT VENTURES (CONTINUED)

(d) Details of the Group's carrying value of investments in joint ventures:

	US$ MILLION			A$ MILLION		
	30 JUNE 2000	31 DEC 1999	30 JUNE 1999	30 JUNE 2000	31 DEC 1999	30 JUNE 1999
Balance at beginning of the period	252.2	–	–	385.9	–	–
Amount on initial application of AASB 1006 "Interests in Joint Ventures"	–	194.3	194.3	–	317.3	317.3
Net assets of joint ventures no longer equity accounted	(22.9)	–	–	(35.0)	–	–
Share of foreign currency translation reserve	–	–	–	35.4	(20.8)	(23.9)
Additions/disposals during the period	199.4	49.1	34.2	327.5	76.1	53.1
Share of net profit for the period	9.5	18.3	7.4	15.2	28.3	11.6
Distributions received during the period	(9.5)	(18.3)	(7.4)	(15.2)	(28.3)	(11.6)
Share of revaluation increment for the period	10.2	8.8	8.8	17.0	13.3	13.3
Carrying value of investments in joint ventures	438.9	252.2	237.3	730.8	385.9	359.8

(e) Details of the Group's aggregate share of joint ventures' reserves:

Retained Earnings						
Balance at beginning of the period	–	–	–	–	–	–
Share of net profit for the period	9.5	18.3	7.4	15.2	28.3	11.6
Distributions paid during the period	(9.5)	(18.3)	(7.4)	(15.2)	(28.3)	(11.6)
Balance at end of the period	–	–	–	–	–	–
Asset Revaluation Reserve						
Balance at beginning of the period	13.3	–	–	20.1	–	–
Amount on initial application of AASB 1006 "Interests in Joint Ventures"	–	4.5	4.5	–	6.8	6.8
Increment on revaluation of property investments	10.2	8.8	8.8	17.0	13.3	13.3
Balance at end of the period	23.5	13.3	13.3	37.1	20.1	20.1
Foreign Currency Translation Reserve						
Balance at beginning of the period	–	–	–	48.7	–	–
Amount on initial application of AASB 1006 "Interests in Joint Ventures"	–	–	–	–	69.5	69.5
Net assets of joint ventures no longer equity accounted	–	–	–	(2.4)	–	–
Exchange differences arising on translation of the Financial Statements of overseas joint ventures	–	–	–	35.4	(20.8)	(23.9)
Balance at end of the period	–	–	–	81.7	48.7	45.6

(f) The Group's share of contingent liabilities and capital expenditure commitments, in respect of equity accounted joint ventures are, where applicable, included in Notes 23 and 25 respectively.

	US$ MILLION		A$ MILLION	
	30 JUNE 2000	30 JUNE 1999	30 JUNE 2000	30 JUNE 1999
NOTE 18 RATES, TAXES AND OTHER PROPERTY OUTGOINGS				
Rates, Taxes and Other Property Outgoings of the Economic Entity include the following charges/(credits):				
Property Maintenance and Repairs expenses	11.8	11.6	18.9	18.0
Amortisation of deferred costs	4.4	4.2	7.1	6.5
Real Estate Management Fees paid and payable to the Manager or its Associates	9.9	10.6	15.8	16.5
Expense Reimbursement to the Manager or its Associates	12.9	11.4	20.7	17.7
Included in the above amounts are Real Estate Management Fees and Reimbursible Expenses payable	1.7	–	2.8	–
NOTE 19 INTEREST AND OTHER BORROWING COSTS				
Interest costs	100.6	99.3	162.4	154.3
Other borrowing costs	0.4	8.9	0.6	13.8
Less: amounts capitalised	(1.5)	(0.9)	(2.5)	(1.3)
Interest and other borrowing costs expensed	99.5	107.3	160.5	166.8
NOTE 20 AUDITORS' REMUNERATION				
Amounts paid or due and payable to Auditors of the Parent Entity:				
– for audit services	0.034	0.039	0.053	0.061
– for other services	0.001	0.010	0.002	0.016
Amounts paid or due and payable to Affiliates of the Auditors of the Parent Entity:				
– for audit services	0.185	0.248	0.297	0.385
– for other services	0.163	–	0.262	–
	0.383	0.297	0.614	0.462

NOTE 21 EARNINGS PER UNIT

Basic Earnings Per Unit is calculated by dividing the current period's Earnings after Withholding Tax attributable to WAT by the weighted average number of Ordinary Units on issue during the period.

Diluted Earnings Per Unit is calculated by dividing the current period's Earnings after Withholding Tax attributable to WAT as adjusted for earnings arising from proceeds on issue of potential Ordinary Units by the weighted average number of Ordinary and potential Ordinary Units outstanding during the current financial period.

The weighted average number of Ordinary Units for the financial period was 1,041,510,633 Units on an entitlement basis (June 1999: 904,562,378 Units).

Potential Ordinary Units include:

(a) Unexpired Special Options convertible to Ordinary Units. At 30 June 2000, there were 208,499,109 potential Ordinary Units, of which none were considered to be materially dilutive.

(b) Partly Paid Units convertible to Ordinary Units. At 30 June 2000, there were 307,144,737 potential Ordinary Units, of which none were considered to be materially dilutive.

There is no material difference between Basic and Diluted Earnings Per Unit in respect of the current financial period.

NOTE 22 NET ASSET BACKING PER UNIT

	US$			A$		
	30 JUNE 2000	31 DEC 1999	30 JUNE 1999	30 JUNE 2000	31 DEC 1999	30 JUNE 1999
Net Asset Backing Per Unit	0.94	0.88	0.87	1.56	1.34	1.31

Net asset backing per unit is calculated by dividing the Equity Attributable to Unit Holders of Westfield America Trust by the number of Ordinary Units on issue at the end of the financial period.

NOTE 23 CONTINGENT LIABILITIES

The Redevelopment Agency of the City of West Covina ("Agency") issued US$51.2 million ($85.3 million) (December 1999 US$51.2 million ($78.4 million) and June 1999 US$51.2 mllion ($77.6 million)) of special tax assessment municipal bonds ("Bonds") to finance land acquisition for expansion of the shopping centre and additional site improvements. Special taxes levied against the property, together with incremental property tax, incremental sales tax, and park and ride revenues will be used to pay the principal and interest on the Bonds and the administrative expense of the Agency. Principal and interest payments will continue to 2022 in graduating amounts ranging from US$2.0 million ($3.3million) (December 1999 US$2.0 million ($3.1 million) and June 1999 US$2.0 million ($3.2 million)) to US$5.3 million ($8.5 million) (December 1999 US$5.3 million ($8.2 million) and June 1999 US$5.3 million ($8.2 million)). The Economic Entity has the contingent obligation to satisfy any shortfall in annual debt service after tenant recoveries.

The Economic Entity is involved in several lawsuits in the normal course of business. However, management believes that the ultimate outcome of such pending litigation will not materially affect the results of operations or the financial position of the Economic Entity.

The Economic Entity also has contingent liabilities, estimated at US$30.3 million ($50.5 million) (December 1999 US$20.9 million ($31.9 million) and June 1999 US$34.2 million ($51.9million)), arising from obligations in respect of the performance of works pursuant to lease, construction and development commitments.

The Economic Entity leases the land underlying portions of several of its centres. Future minimum annual lease payments for leases in effect as at 30 June 2000 are US$1.4million ($2.3 million) (December 1999 US$1.4 million ($2.1 million) and June 1999 US$1.4 million ($2.1 million)) per annum for the next five years and US$38.6 million ($64.3 million) (December 1999 US$41.2 million ($63.1 million) and June 1999 US$40.0 million ($60.7 million)) for periods thereafter.

NOTE 24 LEASES

Property rental

Substantially all of the property owned by the Group is leased to third-party retailers under operating leases as at 30 June 2000. Lease terms vary between retailers and some leases include percentage rental payments based on sales volume.

Future minimum rental revenues receivable under noncancellable operating leases as at 30 June 2000 are as follows:

	US$ MILLION	A$ MILLION
Due within one year	300.9	501.0
Due between one year and five years	971.2	1,617.4
Thereafter	802.8	1,336.9

These amounts do not include percentage rentals which may become receivable under certain leases on the basis of retailer sales in excess of stipulated minimums and do not include recovery of outgoings.

NOTE 25 CAPITAL EXPENDITURE COMMITMENTS

	US$ MILLION			A$ MILLION		
	30 JUNE 2000	31 DEC 1999	30 JUNE 1999	30 JUNE 2000	31 DEC 1999	30 JUNE 1999
Expenditure of the Economic Entity contracted but not provided for:						
Due within one year	289.0	73.8	132.7	481.3	112.9	201.2
Thereafter	123.0	–	–	204.8	–	–
	412.0	73.8	132.7	686.1	112.9	201.2

The above capital expenditure is committed to redevelop and expand investment properties owned by the Economic Entity.

NOTE 26 UNHEDGED FOREIGN CURRENCY ITEMS

The net assets of the Economic Entity are not hedged except for $465.0 million of Australian Dollar denominated liabilities in relation to the Capital Notes which are subject to currency hedge contracts equivalent to US$301.1 million.

NOTE 27 DERIVATIVE FINANCIAL INSTRUMENTS

Interest rates

Interest rates for and principal amounts of fixed rate borrowings and derivative financial instruments for the hedging of interest rate exposures on a proportion of the Economic Entity's extant and anticipated future United States Dollar denominated borrowings.

FIXED RATE POSITION AS AT	AVERAGE RATE INCLUDING MARGINS	US$ MILLION PRINCIPAL AMOUNT
30 June 2000	7.35%	2,547.0
30 June 2001	7.33%	2,662.0
30 June 2002	7.25%	2,426.0
30 June 2003	7.19%	2,213.0
30 June 2004	7.23%	2,110.0
30 June 2005	7.23%	1,896.0
30 June 2006	7.23%	1,815.0
30 June 2007	7.12%	1,386.0
30 June 2008	7.22%	947.0

At 30 June 2000, the fair value compared to book value of the above fixed rate borrowings and hedging arrangements amounted to a surplus of US$123.1 million (A$205.0 million).

In addition to the above, the Economic Entity has also issued US$175.0 million Convertible Redeemable Preference Shares with a coupon rate equal to the greater of 8.5% per annum or the dividend payable on the number of WEA Common Stock into which the Preference Shares are then convertible. The terms and conditions in respect of these Preference Shares are set out in Note 13.

When, as a consequence of a change in circumstances, derivative financial instruments which were previously considered as hedges cease to qualify as such, changes in the net market value of such instruments are recognised as revenues and expenses in the period in which they arise and accruals are made for gains and losses. In prior periods, the Economic Entity had certain surplus fixed rate payable swaps where exposures had been fixed by reverse swaps and the amounts thus determined were fully provided for in the accounts. At 30 June, 2000 the provision in the accounts is US$9.0 million.

NOTE 27 DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

Exchange rates

		WEIGHTED AVERAGE FORWARD EXCHANGE RATE	TO PAY US$ MILLION	TO RECEIVE A$ MILLION
Forward Exchange Contracts extant at 30 June 2000 in respect of the period ending 30 June:	2000	0.6416	19.8	30.9
	2001	0.6424	85.3	132.7
	2002	0.6385	98.2	153.8
	2003	0.6330	107.2	169.3
	2004	0.6265	100.4	160.3
	2005	0.6237	46.6	74.7

The Parent Entity has entered into currency hedges in respect of a proportion of its US$ dividends and distributions receivable from its controlled entities. These hedges are not recognised on the financial statements until the underlying transactions are recorded.

The average forward exchange rate at 30 June 2000 for contracts with similar maturity profiles was A$1.00=US$0.6078 (Nil at 30 June 1999).

	US$ MILLION PRINCIPAL AMOUNT	A$ MILLION PRINCIPAL AMOUNT
Cross-currency swap to receive United States dollars and pay Australian dollars	(301.1)	465.0

The cross-currency swap contract hedges the currency risk in relation to interest and capital repayments associated with the issue of Capital Notes to Australian investors which are denominated in Australian Dollars. Exchange gains and losses on the above hedge contract are recognised on the balance sheet in conjunction with the underlying liabilities to which the hedges relate. The exchange rate in relation to the above contracts is A$1.00 = US$.6475. The exchange rate at 30 June 2000 for a contract with a similar maturity profile was A$1.00 = US$0.6005.

Credit risk

In accordance with the policies determined by the Board of the Responsible Entity, credit risk is spread among a number of financial institutions. The Economic Entity's maximum exposures to credit risk at balance date in relation to each class of recognised financial asset is the carrying amount of those assets as indicated in the balance sheet. Credit risks in relation to unrecognised financial assets arises from the potential failure of counterparties to meet their obligations under the contract or arrangement. As at 30 June 2000 the Economic Entity's total credit risk exposure in respect thereof was A$91.7 million (US$55.0 million) (US$18.2 million (A$27.9 million) at 31 December 1999 and US$66.3 million (A$100.5 million) at 30 June 1999).

NOTE 28 RELATED PARTY TRANSACTIONS

Related party transactions that occurred during the financial period are set out below unless already disclosed elsewhere in these Financial Statements.

(i) Acquisition of an Interest in Garden State Plaza and Issue of Series F Special Options

On 1 June 2000, in accordance with approval obtained from the Members of the Trust at a General Meeting held on 4 May 2000, Westfield America, Inc. acquired the WHL Group's 50% interest in Westland Garden State Plaza Limited Partnership, the sole asset of which is the Garden State Plaza Shopping Centre, located in Paramus, New Jersey, in the United States. As part of this transaction, the Economic Entity also assumed the obligations and liabilities of Westfield Partners, Inc. and Westland Management, Inc. (two wholly owned subsidiaries of Westfield Holdings Limited which directly held the WHL Group's interest in Garden State Plaza) under a non-recourse participating loan to the Westfield America Limited Partnership ("Operating Partnership") of US$145 million.

The acquisition involved the following transactions:

Purchase of Interest in Garden State Plaza in Exchange for Series F Partnership Preferred Units

(a) On 1 June 2000, Westfield Partners, Inc. and Westland Management, Inc. entered into a Contribution Agreement with the Operating Partnership. Westfield America, Inc. is the general partner of, and holds a controlling interest in, the Operating Partnership.

Series F Partnership Preferred Units

Under the Contribution Agreement, Westfield Partners, Inc. and Westland Management, Inc. contributed their respective interests in Garden State Plaza to the Operating Partnership, in exchange for 52,483 Series F Partnership Preferred Units in the Operating Partnership ("Series F Partnership Preferred Units").

The Series F Partnership Preferred Units are limited partnership interests in the Operating Partnership, with a face value of US$1,000 per unit. The Series F Partnership Preferred Units do not carry any right to convert into Common Stock of Westfield America, Inc. Distributions on each Series F Partnership Preferred Unit will be paid quarterly, in an amount equal to the greater of (A) US$21.25 per quarter (representing an 8.5% yield on the face value); or (B) an amount equal to 51.4933 (adjusted for stock splits and other similar matters) multiplied by the dividend paid on a share of Common Stock of Westfield America, Inc. for the relevant quarter.

After 1 June 2001, the WHL Group will have the right to require the Operating Partnership to redeem the Series F Partnership Preferred Units for cash. In this situation, however, Westfield America, Inc. will have the right to acquire the Series F Partnership Preferred Units from the WHL Group by issuing an equivalent number of shares of Series F Cumulative Preferred Stock ("Series F Preferred Shares") instead of paying cash. The main terms of the Series F Preferred Shares are described below.

The Series F Partnership Preferred Units will be redeemable by the Operating Partnership at any time after 1 June 2020, at a redemption price for each Partnership Preferred Unit equal to US$1,000 plus all accrued but unpaid dividends.

If the Operating Partnership is wound up, each Series F Partnership Preferred Unit will carry a right to participate in the capital of the Operating Partnership in the amount of US$1,000 plus all accrued but unpaid dividends. This will rank ahead of the rights of holders of any common partnership units, common investor unit rights or any other units in the Operating Partnership that by their terms rank junior to the Series F Partnership Preferred Units.

The Series F Partnership Preferred Units carry only those voting and consent rights granted to other holders of units in the Operating Partnership, such as voting rights in respect of proposals for any material adverse amendment of the rights attached to the Series F Partnership Preferred Units. The Series F Partnership Preferred Units carry no right to vote at meetings of Westfield America, Inc. The Series F Partnership Preferred Units will not be quoted on the New York (or any other) Stock Exchange.

NOTE 28 RELATED PARTY TRANSACTIONS (CONTINUED)

Series F Preferred Shares

The Series F Preferred Shares will not carry any right to convert into Common Stock of Westfield America, Inc. Dividends on each Series F Preferred Share will be payable quarterly, in an amount equal to the greater of (A) US$21.25 per quarter (representing an 8.5% yield on the face value); or (B) an amount equal to 51.4933 (adjusted for stock splits and other similar matters) multiplied by the dividend paid on a share of Common Stock of Westfield America, Inc. for the relevant quarter.

Westfield America, Inc. may redeem the Series F Preferred Shares in whole or in part at any time after 20 June 2020, at a redemption price for each Series F Preferred Share equal to US$1,000 plus all accrued and unpaid dividends.

If Westfield America, Inc. is wound up, each Series F Preferred Share will carry a right to participate in the capital of Westfield America, Inc. in the amount of US$1,000 plus all accrued but unpaid dividends. This will rank ahead of the rights of holders of Common Stock but behind all creditors and pari passu with the holders of other equity securities in Westfield America, Inc. (unless the terms of those equity securities provide otherwise).

The holders of Series F Preferred Shares will have the same voting rights as the holders of Common Stock, except that they will have 51.4933 votes per Series F Preferred Share. The Series F Preferred Shares will not be quoted on the New York (or any other) Stock Exchange.

Right to put Westland Realty, Inc.

(b) On 1 June 2000, the WHL Group, through its wholly owned subsidiary Westfield Capital Corporation Finance Pty Limited ("WCCF") (which holds all the shares in Westland Realty, Inc.) entered into an agreement with Westfield America, Inc., under which WCCF has the right to sell Westland Realty, Inc. to Westfield America, Inc. in exchange for Series F Preferred Shares ("WCCF Put"). WCCF paid Westfield America, Inc. US$10,000 for the grant of the WCCF Put.

The net assets of Westland Realty, Inc. (and its wholly owned subsidiaries Westfield Partners, Inc. and Westland Management, Inc.) principally comprise 52,483 Series F Partnership Preferred Units.

If WCCF exercises the WCCF Put, the exercise price payable by Westfield America, Inc. in exchange for WCCF's shares in Westland Realty, Inc. will be 98% of the fair market value of Westland Realty, Inc. (as determined by independent valuation). The exercise price will be payable in Series F Preferred Shares (also valued by an independent valuation). Each of these valuations will be made as at the exercise date. If, at the time of exercise of the WCCF Put, Westfield America, Inc. elects not to retain any of the assets of Westland Realty, Inc. (other than securities of Westfield America, Inc. or the Operating Partnership) then, for the purpose of determining the fair market value of Westland Realty, Inc., the fair market value of those assets will be reduced by the sum of the reasonably estimated cost of disposing of those assets and all income, transfer and other taxes which will be incurred in connection with that disposal.

The WCCF Put will not be able to be exercised if, at the time of exercise, Westland Realty, Inc. holds any assets (other than securities of Westfield America, Inc. or the Operating Partnership) which, in the opinion of Westfield America, Inc. could cause Westland Realty, Inc. to fail to qualify as a Real Estate Investment Trust for US taxation purposes.

The WCCF Put will be exerciseable at any time after 1 June 2002 and up to 1 June 2010.

NOTE 28 RELATED PARTY TRANSACTIONS (CONTINUED)

Issue of Series F Special Options

(c) On 1 June 2000, the Manager granted 52,500 Series F Special Options to Westfield Capital Corporation Finance Pty Limited, a member of the WHL Group, in return for a payment of US$4.7 million, based on an independent, arm's length valuation.

Each Series F Special Option entitles the holder to subscribe for 1,049 fully paid ordinary units in the Trust in exchange for either US$1,000 or one Series F Preferred Share (with an effective exercise price of A$1.55 per unit).

If a Series F Special Option is exercised and the holder elects to deliver a Series F Preferred Share rather than cash in satisfaction of the exercise price, a valuation of the Series F Preferred Shares will be undertaken by an independent valuer. If the value of a Series F Preferred Share as determined by the independent valuer is less than US$1,000, the holder of the Series F Special Option will be required to pay an additional amount to the Trust, equal to the difference between that value and US$1,000.

The Series F Special Options, which are transferable, may be exercised at any time during the period commencing on 1 June 2007 and expiring on 1 June 2020. Ordinary units in the Trust issued as a consequence of the exercise of the Series F Special Options will (a) rank for distributions of income in the Trust from the first day following their allotment; and (b) participate in that proportion of the distributable income of the Trust in respect of the distribution period during which they are allotted that the number of days commencing from the date following their allotment to the end of that distribution period bears to the total number of days in that distribution period. In all other respects, the units to be allotted as a consequence of the exercise of the Series F Special Options will have the same rights as all other fully paid ordinary units on issue.

(ii) Acquisition of 2000 Warrant

On 1 June 2000, in accordance with approval obtained from the Members of the Trust at a General Meeting held on 4 May 2000, the Trust acquired a warrant issued by Westfield America, Inc. ("2000 Warrant") entitling (but not obliging) the Trust to purchase additional Common Stock in Westfield America, Inc. ("Common Stock"). The Trust paid Westfield America, Inc. US$1.86 million for the 2000 Warrant, based on an independent, arm's length valuation.

The 2000 Warrant is exerciseable in whole or in part at any time after the date of issue up to 1 June 2025. The 2000 Warrant entitles the holder to acquire 2,840,000 shares of Common Stock (adjusted for stock splits and other similar matters). The exercise price for the 2000 Warrant is US$19.42 per share of Common Stock (adjusted for stock splits and other similar matters).

In conformity with the requirements under the Corporations Law, the 2000 Warrant will only be exercised if, at the relevant point in time and having regard to all the circumstances, the Board of Directors of the Responsible Entity of the Trust determines that to do so would be in the best interests of the Members of Westfield America Trust.

Under the terms of the approval from the Members of the Trust, prior to the exercise of the 2000 Warrant, the Board of Directors of the Responsible Entity of Westfield America Trust is required to commission and receive a report from a duly qualified independent expert confirming that, at the relevant point in time and having regard to all the circumstances, the exercise of the Warrants and the consequential acquisition of Common Stock in Westfield America, Inc. is fair and reasonable to the Members of the Trust other than Members of the WHL Group or any of their associates.

NOTE 28 RELATED PARTY TRANSACTIONS (CONTINUED)

(iii) Other

(a) Property management fees amounting to US$9.864 million ($15.832 million) (US$10.643 million ($16.537 million) for the period ended 30 June 1999) were payable by the Economic Entity under normal commercial terms and conditions to the WHL Group in respect of the current financial period.

(b) During the financial period, the Economic Entity paid, under normal commercial terms and conditions, US$34.820 million ($57.984 million) (US$46.616 million ($72.430 million) for the period ended 30 June 1999) to the WHL Group in respect of expansion and redevelopment costs.

(c) During the financial period, the Economic Entity received interest amounting to US$6.646 million ($10.666 million) (US$7.673 million ($11.922 million) for the period ended 30 June 1999) in respect of the participating loan to WHL Group entities.

(d) Advisory and Manager's Service Fees

	30 JUNE 2000 US$ MILLION	30 JUNE 1999 US$ MILLION	30 JUNE 2000 A$ MILLION	30 JUNE 1999 A$ MILLION
Advisory Fee paid or due and payable to Associates of the Manager	5.408	3.643	8.731	5.660
Manager's Service Fee paid or due and payable to the Manager	–	–	–	–

Westfield America, Inc. has engaged Westfield U.S. Advisory L.P. ("Advisor") to provide information, advice and assistance to Westfield America, Inc. and to undertake certain duties and responsibilities on behalf of, and subject to, the supervision of Westfield America, Inc. The Advisor will be paid an annual Advisory Fee equal to the lesser of 0.55% of the net equity value of Westfield America, Inc. or, 25% of the annual Funds From Operations of Westfield America, Inc. in excess of a base amount of Funds From Operations as adjusted from time to time to reflect new issues of Common Stock. The term "Funds From Operations" means net income/ (loss) (computed in accordance with generally accepted accounting principles in the United States) ("GAAP") excluding gains (or losses) from debt restructuring and sales of property, plus real estate related depreciation and amortisation and after adjustments for consolidated partnerships and joint ventures.

The Trust and Westfield America Management Limited ("Manager") entered into an agreement whereby the Trust will be managed by the Manager for which the Manager will be paid an annual fee of 0.55% of the net asset value of the Trust. In addition, the Manager has agreed that this fee payable by the Trust will be reduced by an amount equivalent to the proportion of the Advisory Fee paid by Westfield America, Inc. to the Advisor which is attributable to the Trust's ownership interest in Westfield America, Inc.

The Manager and the Advisor agreed at the time of the listing of the Trust to forgo the entitlement to their Service Fee for the period from 28 March 1996, the inception of the Trust, to 31 December 1997. In addition, the Manager has agreed to forgo its entitlement to the Service Fee being the amount in excess of the Trust's ownership interest proportion of the Advisory Fee paid by Westfield America, Inc. to the Advisor, for the period ended 30 June 2000.

NOTE 28 RELATED PARTY TRANSACTIONS (CONTINUED)

(e) WEA Directors' Remuneration

F G Hilmer, R L Furman, H Huizinga, B Marcus, L A Silverstein and F T Vincent Jr each received directors' fees of US$10,000 ($16,049) and WEA Common Stock at a market value of US$10,000 ($16,049) and G Weissman received directors' fees of US$5,000 ($8,024) in respect of the period ended 30 June 2000 (F G Hilmer, R L Furman, H Huizinga, B Marcus, L A Silverstein, F T Vincent Jr and G Weissman each received directors' fees of US$10,000 ($15,163) and WEA Common Stock at a market value of US$10,000 ($15,163) in respect of the period ended 30 June 1999). The executive directors of WEA, F P Lowy, D H Lowy and P S Lowy received no directors' fees in respect of the periods ended 30 June 2000 and 1999.

Other than as stated above, the Directors of WEA did not receive any remuneration from WAT or its controlled entities.

The aggregate number of WEA Common Stock held directly by Directors of WEA at balance date was 151,974 (93,446 at 30 June 1999).

NOTE 29 FINANCIAL REPORTING BY SEGMENTS

The Economic Entity operates solely as a retail property investor in the United States.

NOTE 30 DETAILS OF CONSOLIDATED CONTROLLED ENTITIES AND EQUITY ACCOUNTED JOINT VENTURES

NAME OF ENTITY	NOTES	30 JUNE 2000 INTEREST		30 JUNE 1999 INTEREST	
		BENEFICIAL %	CONSOLIDATED %	BENEFICIAL %	CONSOLIDATED %
Parent Entity					
Westfield America Trust	a d	100.00	100.00	100.00	100.00
Consolidated Controlled Entities					
Westfield America, Inc.	b d e	49.31	100.00	48.90	100.00
Westfield America G.P., Inc.	b d e	49.31	100.00	48.90	100.00
Westfield America GP LLC	b d e	49.31	100.00	–	–
Westfield America M.S., Inc.	b d e	49.31	100.00	48.90	100.00
Westfield America of Meriden Square, Inc.	b d e	49.31	100.00	48.90	100.00
Westfield America of Annapolis, Inc.	b d e	49.31	100.00	48.90	100.00
Westfield America of Bonita, Inc.	b d e	49.31	100.00	48.90	100.00
Westfield America of Missouri, Inc.	b d e	49.31	100.00	48.90	100.00
Westfield America of Vancouver, Inc.	b d e	49.31	100.00	48.90	100.00
Westfield America of West Covina, Inc.	b d e	49.31	100.00	48.90	100.00
Westfield America – Wheaton, Inc.	b d e	49.31	100.00	48.90	100.00
WEA Annapolis, Inc	b d e	–	–	48.90	100.00
WEA Crestwood Plaza LLC	b d e	49.31	100.00	48.90	100.00
WEA CT Houses LLC	b d e	49.31	100.00	48.90	100.00
WEA Meriden Square LLC	b d e	49.31	100.00	48.90	100.00
WEA Meriden Square No. 2 LLC	b d e	49.31	100.00	48.90	100.00
WEA Meriden Square No. 3 LLC	b d e	49.31	100.00	48.90	100.00
WEA Meriden Square, Inc.	b d e	49.31	100.00	48.90	100.00
WEA North County Fair LLC	b d e	49.31	100.00	–	–
WEA NY Houses LLC	b d e	49.31	100.00	48.90	100.00
WEA Palm Desert LLC	b d e	49.31	100.00	–	–
WEA Valley Fair LLC	b d e	49.31	100.00	48.90	100.00
WEA Valley Fair UTC LLC	b d e	49.31	100.00	48.90	100.00
Annapolis Land LLC	b d e	49.31	100.00	–	–
Annapolis Mall LLC	b d e	49.31	100.00	48.90	100.00
Annapolis Manager LLC	b d e	49.31	100.00	–	–
Annapolis Shoppingtown LLC	b d e	49.31	100.00	–	–
Capital Mall Company	b d e	49.31	100.00	48.90	100.00
Capital Mall Land LLC	b d e	49.31	100.00	–	–
Capital Shopping Centre, Inc.	b d e	49.31	100.00	48.90	100.00
Capital Shopping Centre LLC	b d e	49.31	100.00	48.90	100.00
CMF, Inc.	b d e	49.31	100.00	48.90	100.00
Connecticut Post Mall LLC	b d e	49.31	100.00	48.90	100.00
Connecticut Post Mall No. 2 LLC	b d e	49.31	100.00	48.90	100.00
Crestwood Plaza, Inc.	b d e	49.31	100.00	48.90	100.00
Downtown Plaza LLC	b d e	49.31	100.00	48.90	100.00

NOTE 30 DETAILS OF CONSOLIDATED CONTROLLED ENTITIES AND EQUITY ACCOUNTED JOINT VENTURE (CONTINUED)

NAME OF ENTITY	NOTES	30 JUNE 2000 INTEREST		30 JUNE 1999 INTEREST	
		BENEFICIAL %	CONSOLIDATED %	BENEFICIAL %	CONSOLIDATED %
Eagle Rock Manager LLC	b d e	49.31	100.00	–	–
Eagle Rock Plaza LLC	b d e	49.31	100.00	48.90	100.00
Eagle Rock Properties, Inc.	b d e	49.31	100.00	48.90	100.00
Eastland Manager LLC	b d e	49.31	100.00	–	–
Eastland Shopping Center LLC	b d e	49.31	100.00	48.90	100.00
Enfield Square, Inc.	b d e	49.31	100.00	48.90	100.00
Enfield Square LLC	b d e	49.31	100.00	48.90	100.00
Fox Hills Mall, Inc.	b d e	49.31	100.00	48.90	100.00
Fox Hills Mall LLC	b d e	49.31	100.00	48.90	100.00
FH Financing LLC	b d e	49.31	100.00	48.90	100.00
Horton Plaza, Inc.	b d e	49.31	100.00	48.90	100.00
Horton Plaza LLC	b d e	49.31	100.00	48.90	100.00
Horton Land LLC	b d e	49.31	100.00	48.90	100.00
Meriden Square #1 LLC	b d e	49.31	100.00	–	–
Meriden Square #2 LLC	b d e	49.31	100.00	–	–
Mid Rivers, Inc.	b d e	49.31	100.00	48.90	100.00
Mid Rivers Land LLC	b d e	49.31	100.00	48.90	100.00
Mid Rivers Mall LLC	b d e	49.31	100.00	48.90	100.00
Mid Rivers Office Development I, Inc.	b d e	49.31	100.00	48.90	100.00
Mission Valley Center LLC	b d e	49.31	100.00	48.90	100.00
Mission Valley Manager LLC	b d e	49.31	100.00	–	–
Mission Valley Finance Corporation	b d e	49.31	100.00	48.90	100.00
Montgomery Mall Borrower LLC	b d e	49.31	100.00	–	–
Montgomery Mall of Maryland LLC	b d e	49.31	100.00	48.90	100.00
Montgomery Mall Properties, Inc.	b d e	49.31	100.00	48.90	100.00
North County Fair LLC	b d e	49.31	100.00	48.90	100.00
Northwest Plaza, Inc.	b d e	49.31	100.00	48.90	100.00
Northwest Plaza LLC	b d e	49.31	100.00	48.90	100.00
Oakridge Mall, Inc.	b d e	49.31	100.00	48.90	100.00
Oakridge Mall LLC	b d e	49.31	100.00	48.90	100.00
Parkway Plaza, Inc.	b d e	49.31	100.00	48.90	100.00
Parkway Plaza LLC	b d e	49.31	100.00	48.90	100.00
Plaza Bonita, Inc.	b d e	49.31	100.00	48.90	100.00
Plaza Bonita LLC	b d e	49.31	100.00	48.90	100.00
Plaza Camino Real LLC	b d e	49.31	100.00	48.90	100.00
Plaza West Covina, Inc.	b d e	49.31	100.00	48.90	100.00
Plaza West Covina LLC	b d e	49.31	100.00	48.90	100.00
Promenade LLC	b d e	49.31	100.00	48.90	100.00
Residential Rental and Investments, Inc.	b d e	49.31	100.00	48.90	100.00
Santa Anita Fashion Park LLC	b d e	49.31	100.00	48.90	100.00

NOTE 30 DETAILS OF CONSOLIDATED CONTROLLED ENTITIES AND EQUITY ACCOUNTED JOINT VENTURE (CONTINUED)

NAME OF ENTITY	NOTES	30 JUNE 2000 INTEREST		30 JUNE 1999 INTEREST	
		BENEFICIAL %	CONSOLIDATED %	BENEFICIAL %	CONSOLIDATED %
Solano Mall LLC	b d e	49.31	100.00	48.90	100.00
South County Center LLC	b d e	49.31	100.00	48.90	100.00
South County Post Office LLC	b d e	49.31	100.00	48.90	100.00
South County Properties, Inc.	b d e	49.31	100.00	48.90	100.00
South Shore Mall LLC	b d e	49.31	100.00	48.90	100.00
South Shore Manager LLC	b d e	49.31	100.00	–	–
Topanga Center, Inc.	b d e	49.31	100.00	48.90	100.00
Topanga Plaza LLC	b d e	49.31	100.00	48.90	100.00
Trumbull Mall LLC	b d e	49.31	100.00	48.90	100.00
Trumbull Shopping Center # 1 LLC	b d e	49.31	100.00	–	–
Trumbull Shopping Center # 2 LLC	b d e	49.31	100.00	–	–
Trumbull Department Stores, Inc.	b d e	49.31	100.00	48.90	100.00
University Towne Center LLC	b d e	49.31	100.00	48.90	100.00
Vancouver Mall LLC	b d e	49.31	100.00	48.90	100.00
WAP HC, Inc.	b d e	49.31	100.00	48.90	100.00
West County Center LLC	b d e	49.31	100.00	48.90	100.00
West Park Mall, Inc.	b d e	49.31	100.00	48.90	100.00
West Park Mall LLC	b d e	49.31	100.00	48.90	100.00
West Park Shopping Center, Inc.	b d e	49.31	100.00	48.90	100.00
West Valley LLC	b d e	49.31	100.00	48.90	100.00
Westfield Independence LLC	b d e	49.31	100.00	48.90	100.00
Westfield Management, Inc.	b d e	49.31	100.00	48.90	100.00
Westfield Mission Valley Corporation	b d e	49.31	100.00	48.90	100.00
Westfield Subsidiary REIT 1, Inc.	b d e	49.31	100.00	48.90	100.00
Westfield Subsidiary REIT 2, Inc.	b d e	49.31	100.00	48.90	100.00
Westland Milford Properties, Inc.	b d e	49.31	100.00	48.90	100.00
Westland Partners, Inc.	b d e	49.31	100.00	48.90	100.00
Westland Properties, Inc.	b d e	49.31	100.00	48.90	100.00
Westland Town Center LLC	b d e	49.31	100.00	48.90	100.00
Wheaton Plaza No.1 LLC	b d e	49.31	100.00	48.90	100.00
WPI Meriden Square, Inc.	b d e	49.31	100.00	48.90	100.00
Annapolis Mall Limited Partnership	c d e	49.31	100.00	48.90	100.00
The Connecticut Post Limited Partnership	c d e	49.31	100.00	48.90	100.00
EWH Escondido Associates L.P.	c d e	49.31	100.00	48.90	100.00
Montgomery Mall Limited Partnership	c d e	49.31	100.00	48.90	100.00
Montgomery Mall Condominium Limited Partnership	c d e	49.31	100.00	–	–
Meriden Square Partnership	c d e	49.31	100.00	48.90	100.00
Topanga Plaza Partnership	c d e	–	–	48.90	100.00

NOTE 30 DETAILS OF CONSOLIDATED CONTROLLED ENTITIES AND EQUITY ACCOUNTED JOINT VENTURE (CONTINUED)

NAME OF ENTITY	NOTES	30 JUNE 2000 INTEREST		30 JUNE 1999 INTEREST	
		BENEFICIAL %	CONSOLIDATED %	BENEFICIAL %	CONSOLIDATED %
Westfield America Investor L.P.	c d e	49.31	100.00	48.90	100.00
Westfield America Limited Partnership	c d e	49.31	100.00	48.90	100.00
West Park Partners L.P.	c d e	49.31	100.00	48.90	100.00
Westland Shopping Centre L.P.	c d e	49.31	100.00	48.90	100.00
Westland South Shore Mall L.P.	c d e	49.31	100.00	48.90	100.00
Wheaton Plaza Regional Shopping Centre L.P.	c d e	49.31	100.00	48.90	100.00
Anita Associates	c d e	44.22	89.68	43.85	89.68
Hahn UPI	c d e	39.14	79.36	38.81	79.36
Independence Mall Associates	c d e	41.92	85.00	41.56	85.00
Mission Valley Partnership	c d e	37.38	75.80	37.06	75.80
Mid Rivers Limited Partnership	c d e	16.44	33.33	16.30	33.33
UPI Associates	c d e	8.60	17.44	8.53	17.44
Westfield Independence Mall Limited Partnership	c d e	29.59	60.00	29.65	60.00
Westfield Independence Mall Limited Partnership No. 2	c d e	6.16	12.50	6.18	12.50
Equity Accounted Joint Venture Entities					
M-R St. Peters L.P.	c d e	–	–	24.45	50.00
MBM Associates – New L.P.	c d e	0.49	1.00	0.49	1.00
Owensmouth Office Associates LTD	c d e	10.48	21.25	10.39	21.25
Plaza Camino Real	c d e	19.73	40.00	19.56	40.00
University Towne Centre LLC	b d e	24.66	50.00	24.45	50.00
V F Mall LLC	b d e	24.66	50.00	24.45	50.00
Valley Fair UTC LLC	b d e	24.66	50.00	24.45	50.00
Vancouver Mall	c d e	24.66	50.00	24.45	50.00
Westfield Paramus Holdings LLC 1	c d e	24.66	50.00	–	–
Westfield Paramus Holdings LLC 2	c d e	24.66	50.00	–	–
Westland Garden State Plaza Limited Partnership	c d e	24.66	50.00	–	–
West Valley Development LLC	c d e	20.96	42.50	–	–
West Valley Partnership	c d e	20.96	42.50	20.78	42.50

Notes

a Trust.

b Company – incorporated in the United States.

c Partnership – formed in the United States.

d Principal activity – property investment.

e Business entity audited by affiliates of the auditors of the Parent Entity.

NOTE 31 NOTES TO THE STATEMENT OF CASH FLOWS

	US$ MILLION			A$ MILLION		
	30 JUNE 2000	31 DEC 1999	30 JUNE 1999	30 JUNE 2000	31 DEC 1999	30 JUNE 1999
(a) COMPONENTS OF CASH						
Cash #	46.8	46.9	24.9	73.5	72.2	38.3
Bank overdrafts	–	–	(0.1)	–	–	(0.1)
	46.8	46.9	24.8	73.5	72.2	38.2

Includes restricted cash representing funds totalling $US23.3 million ($38.8 million) (US$11.8 million ($17.9 million) at 30 June 1999) set aside to pay operating and capital expenditures on properties which are collateral for secured loan facilities. The period to 30 June 2000 also included funds totalling US$2.0 million ($3.3 million) (US3.1 million ($4.7 million) at 30 June 1999) utilised in the redevelopment of Mission Valley West.

	US$ MILLION		A$ MILLION	
	30 JUNE 2000	30 JUNE 1999	30 JUNE 2000	30 JUNE 1999
(b) RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES TO EARNINGS AFTER WITHHOLDING TAX BUT BEFORE OUTSIDE EQUITY INTERESTS				
Net cash in/(out) flows from operating activities	184.2	179.4	295.6	278.8
Currency translation differences	–	–	0.1	(0.9)
Bad debt provision	(1.4)	(0.1)	(2.3)	(0.1)
Interest expense	(99.5)	(107.2)	(160.5)	(166.6)
United States Withholding Tax expense	(2.7)	(2.2)	(4.3)	(3.3)
(Decrease)/Increase in other net assets attributable to operating activities	0.4	2.7	0.9	4.0
Earnings After Withholding Tax but before Outside Equity Interests	81.0	72.6	129.5	111.9

(c) NON CASH FINANCING AND INVESTING ACTIVITIES

During the current financial period, the Economic Entity acquired property investments totalling $345.6 million (US$197.5 million) by the issue of equity and the assumption of debt.

NOTE 31 NOTES TO THE STATEMENT OF CASH FLOWS (CONTINUED)

	US$ MILLION			A$ MILLION		
	30 JUNE 2000	31 DEC 1999	30 JUNE 1999	30 JUNE 2000	31 DEC 1999	30 JUNE 1999
(d) FINANCING FACILITIES						
Firmly committed financing facilities available to the Economic Entity are as follows:						
Total financing facilities #	2,331.0	2,423.3	2,189.3	3,881.9	3,708.3	3,319.8
Amounts utilised *	(2,200.5)	(2,103.4)	(2,052.5)	(3,664.6)	(3,218.7)	(3,112.3)
Available financing facilities #	130.5	319.9	136.8	217.3	489.6	207.5
Cash (refer Note 31(a))	46.8	46.9	24.8	73.5	72.2	38.2
Total available financing facilities	177.3	366.8	161.6	290.8	561.8	245.7

Financing facilities comprise:

(a) term loans from banks and financial institutions in respect of specific retail property investments; and

(b) bank facilities for general corporate and property redevelopment purposes.

Available financing facilities comprise term loans for general corporate and property redevelopment purposes (refer details as set out in Note 11) and undrawn bank facilities as set out below:

(i) a secured revolving credit facility of US$450.0 million ($749.4 million) (US$450.0 million ($688.6 million) secured at 31 December 1999 and US$600.0 million ($909.8 million) unsecured at 30 June 1999), with a consortium of banks. The facility is an interest only floating rate facility maturing in December 2002 with an option to extend to December 2003. At 30 June 2000, amounts available under this facility totalled US$100.0 million ($166.5 million) (31 December 1999 US$289.8 million ($443.6 million) and 30 June 1999 (US$119.8 million ($181.7 million)).

(ii) an unsecured revolving credit facility of $65.0 million (US$39.0 million) (31 December 1999 $65.0 million (US$42.5 million) and 30 June 1999 $65.0 million (US$42.9 million)) with a bank. The facility is an interest only floating rate facility maturing in Dec 2000. At 30 June 2000, amounts available under this facility totalled $50.8 million (US$30.5 million) (31 December 1999 $46.0 million (US$30.1 million) and 30 June 1999 $25.8 million (US$17.0 million)).

* Amounts utilised have been translated at exchange rates ruling at balance date and do not include the effects of currency hedge contracts.

directors' declaration

The Directors of Westfield America Management Limited, the Responsible Entity of Westfield America Trust ("**Trust**") declare that:

(a) the Financial Statements for the half year ended 30 June 2000 ("Half Year") and notes thereto comply with the accounting standards;

(b) the Financial Statements and notes thereto give a true and fair view of the financial position and performance of the Trust together with all entities it is required by the accounting standards to include in those statements; and

(c) in the Directors' opinion, there are reasonable grounds to believe that the Trust will be able to pay its debts as and when they become due and payable.

Made on 16 August 2000 in accordance with a resolution of the Board of Directors.

F P Lowy AC
Chairman

S P Johns
Group Finance Director

independent audit report

to the unitholders of Westfield America Trust

Scope

We have audited the financial report of Westfield America Trust for the half year ended 30 June 2000, being the Consolidated Profit and Loss Statement, Consolidated Statement of Cash Flows, Consolidated Balance Sheet, notes to the financial statements and the Directors' Declaration. The financial report includes the consolidated financial statements of Westfield America Trust, and the entities it controlled at the end of the half year or from time to time during the half year. The directors of Westfield America Management Limited are responsible for the financial report. We have conducted an independent audit of the financial report in order for the Trust to lodge the financial report with the Australian Securities and Investments Commission.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance whether the financial report is free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with Accounting Standards AASB 1029: Half Year Accounts and Consolidated Accounts, other mandatory professional reporting requirements and statutory requirements in Australia, so as to present a view which is consistent with our understanding of the consolidated entity's financial position and performance as represented by the results of their operations and their cash flows.

The audit opinion expressed in this report has been formed on the above basis.

Audit Opinion

In our opinion, the half year financial report of Westfield America Trust is in accordance with:

(a) the Corporations Law including:

(i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2000 and its performance for the half year ended on that date; and

(ii) complying with Accounting Standards AASB 1029: Half Year Accounts and Consolidated Accounts and the Corporations Regulations; and

(b) other mandatory professional reporting requirements.

Ernst & Young

B J Long
Partner

Sydney

16 August 2000

WESTFIELD SHOPPINGTOWN TRUMBULL, CONNECTICUT

WESTFIELD SHOPPINGTOWN VALLEY FAIR, CALIFORNIA

directory

Entity

Westfield America Trust
ARSN 092 058 449

Responsible Entity

Westfield America Management Limited
ACN 072 780 619

Registered Office

Level 24, Westfield Towers
100 William Street
Sydney NSW 2011

Telephone: (02) 9358 7000
Facsimile: (02) 9358 7881

Website: www.westfield.com.au

Directors of Westfield America Management Limited

Frank P Lowy, AC *Chairman*

Frederick G Hilmer, AO *Deputy Chairman*

David H Lowy *Deputy Chairman*

Robert A Ferguson

David M Gonski

Stephen P Johns

Peter S Lowy

Steven M Lowy

Dean R Wills, AO

Carla Zampatti, AM

Compliance Committee

John B Studdy, AM *Chairman*

George T Forster

Stephen P Johns

Secretary

Craig van der Laan de Vries

Director of Funds Management

Victor P Hoog Antink

Trust Manager

Daniel Rubinstein

Auditors

Ernst & Young
The Ernst & Young Building
Level 16, 321 Kent Street
Sydney NSW 2000

Custodian

Perpetual Nominees Limited
39 Hunter Street
Sydney NSW 2000

Investor Information

For enquiries regarding your investment, ring or write to:

Investor Relations Department
Westfield America Management Limited
Level 24, 100 William Street
Sydney NSW 2011

Telephone: (02) 9358 7459
Facsimile: (02) 9358 7881

Freecall Outside Sydney: 1800 689 393

Unit Registry

For enquiries related to the Register, ring or write to:

Computershare Registry Services Pty Limited
Level 3, 60 Carrington Street
Sydney NSW 1115

Telephone: (02) 8234 5222
Facsimile: (02) 8234 5050

Listings

Westfield America Trust – WFA
on *Australian Stock Exchange*

Westfield America, Inc. – WEA
on *New York Stock Exchange*

DESIGNED AND PRODUCED BY ARMSTRONG MILLER+McLAREN, SYDNEY – MELBOURNE.

Westfield